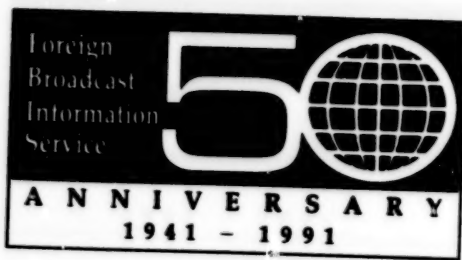


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# ***Daily Report***

## **China**

FBIS-CHI-91-054  
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# Daily Report

## China

FBIS-CHI-91-054

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NOTICE TO READERS: An \* indicates material not previously disseminated in electronic form.

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## General

### Postwar Mideast Issues Explored

#### Reluctance To Restrict Arms Exports

OW2003125591 Tokyo KYODO in English 1227 GMT  
20 Mar 91

[Text] Tokyo, March 20 KYODO—China showed reluctance to a proposal to restrict arms exports at Wednesday's meeting with Japanese Foreign Ministry officials, ministry officials said.

Chinese Vice Foreign Minister Qi Huaiyuan responded negatively to the idea raised by Deputy Foreign Minister Hisashi Owada in a regular bilateral consultations between Japanese and Chinese Foreign Ministry officials, according to Japanese officials.

Owada explained Japan's post-Persian Gulf war contribution plan which calls for restricting arm exports, asking for cooperation from China, a permanent member of the United Nations Security Council, and an arms exporter, the officials said.

Qi said it is difficult to reach agreements with all countries that export weapons, and it is even more difficult to fulfill the agreement, the officials said.

But Owada and Qi agreed to arrange Nakayama's visit to China between April 4 and 6, the officials said.

Qi arrived in Tokyo on Monday and met Foreign Minister Taro Nakayama early Wednesday.

#### U.S. Stance Analyzed

OW2003021791 Beijing XINHUA in English  
0147 GMT 19 Mar 91

["News Analysis: Is the United States Sincere in Slowing Mideast Arms Race? (by Wu Jin)"]—XINHUA headline]

[Text] Washington, March 19 (XINHUA)—The White House confirmed Monday that it had requested Congress to authorize the U.S. Import-Export Bank to underwrite sales of military goods to foreign countries, and information available indicates the Mid-East area would remain to be one of the main targets of the sales campaign.

The Bush administration has repeatedly urged that to maintain peace and stability in the area after the Gulf war it is necessary to have a mechanism of arms control there. In his address to the Congress on March 6, President Bush listed arms control as one of the "four challenges" the U.S. is facing in the post-war Middle East. "It would be tragic" if a new arms race were to develop in the Persian Gulf and Middle East, he said.

Earlier last month, Secretary of State James Baker told the Congress: "The time has come to try to change the destructive pattern of military competition and proliferation in the region and to reduce arms flow into an area that is already over-militarized."

But, as the rhetorics on arms control were still sounding, a campaign to promote arms sales abroad started. The Bush administration was reported last week to have asked congressional approval of a 1.6 billion dollars sale of 46 F-16 jets, 1528 bombs and 80 air-to-ground missiles to Egypt; meanwhile, more than 18 billion dollars in new arms sales to Saudi Arabia, the United Arab Emirates, Bahrain, Egypt and Turkey were also reportedly being considered.

So it is only logical that President Bush, only a week after he had preached before the Congress the importance of arms control, reacted coolly to Canadian Prime Minister Brian Mulroney's proposal of convening a special summit of world leaders to consider ways of curbing arms flows into the Middle East. During his meeting with Mulroney in Ottawa on March 13, Bush made it clear that while the United States favors less arms proliferation, "that doesn't mean we are going to refuse to sell anything to anybody. We are not going to cut off all weapons sales."

Asked why the administration requests credit guarantees for arms exports at a news briefing Monday, the White House Spokesman Marlin Fitzwater noted that some of the U.S. allies, notably France, Britain and Germany, had already done so, and that, because of military spending cutting, the U.S. military contractors depend more on foreign markets to survive.

The spokesman's statement made it clear that, in spite of the often-stressed importance of peace and stability in the Gulf area, first priority is actually given to U.S. business interests. THE NEW YORK TIMES noted yesterday that "such a sweeping expansion in the scope of government credit activities for military exports has been vigorously promoted by large military contractors like the United Technologies Corporation, the Raytheon Company and the Martin Marietta Corporation, and the White House has now decided to go along."

As everybody knows, political influence usually goes along with the armament shipments. After the Gulf war, the U.S. apparently thinks its "leading role" in the Gulf-Mideast area should not be challenged. So, in its view, it is only natural that, while advocating to control other parties' arms sales—hence their political influences—to this area, the United States itself is entitled to exports of as much weaponry as possible there.

Taking all these into consideration, one cannot but conclude that it is simply unrealistic to hope a true and effective arms control in this region to appear in the near future.

#### Editorial Views U.S. 'New Order'

HK2003053091 Hong Kong TA KUNG PAO in Chinese  
20 Mar 91 p 2

[Editorial: "How the United States Devises a Postwar Mideast 'New Order'"]



[Text] During the Gulf war, the United States insisted that there should not be any linkage between Iraq's invasion of Kuwait and Israeli-Arab conflicts; the aggressor must not set any precondition, but must unconditionally withdraw from Kuwait.

After the Gulf war, however, when international public opinion demanded strict implementation of the UN Security Council resolution on an Israeli withdrawal from the occupied Arab territories for a lasting peace in the Mideast, the United States linked the Israeli-Arab issue with Iraq's invasion of Kuwait. Baker hurried to the Mideast, looking as if he wanted to resolve problems, but he was actually creating obstacles. The United States asserted that the PLO provided moral support for Baghdad during the confrontation between the allied forces and Iraq, therefore the PLO is not trustworthy and the United States will not have a dialogue with it. This has unquestionably closed the door to a settlement of the Palestinian issue.

There is no reason to confuse UN Security Council Resolution 242 (on resolving the Arab-Israeli issue) and Resolution 678 (on resolving Iraq's occupation of Kuwait). These two resolutions are independent of each other and must not be confused. Iraq has no right to connect these two, nor has the United States any reason to link them. If all aggressors must be punished, all UN Security Council resolutions must be put into effect. The United States should not adopt dual criteria on aggressive acts: When a resolution complies with U.S. interests, the United States will dispatch troops to drive a group of aggressors out; when another resolution does not conform with its interests, it ignores the resolution and protects another group of aggressors, thus attempting to delay the settlement of problems under all sorts of pretexts.

Shortly after a cease-fire in the Gulf region, French President Mitterrand took the lead in raising a peace proposal on the Middle East issue, suggesting that the United Nations play an important role in resolving the region's conflicts. The French proposal includes: 1) Opening a summit meeting for leaders of UN Security Council's member-countries to discuss the restoration of Mideast peace and a future world order, and 2) opening international meetings on the Mideast issue under UN sponsorship and granting the Palestinian people the right to establish their own state.

But during a meeting between U.S. and French leaders, the United States flatly rejected the proposal for opening an international meeting on the Mideast issue.

Why is it that a country that dispatched troops to the Gulf region under the UN banner to "enforce justice on behalf of Heaven" now has taken a cold attitude toward the Security Council proposal on the Mideast issue?

This is because Israel will become the defendant if the Security Council opens a meeting, at which international demand will be very strong for an unconditional Israeli troop withdrawal. The United States could be very passive if it were to side with Israel, but if the U.S.

authorities forced Israel to withdraw its troops, they would violate the interests of Israeli groups.

A more important reason is this: If an international meeting decides the Mideast's future, a new world order will be realized on the basis of equal participation and equal consultations. In other words, world multipolarization will be recognized. However, the real motive of the United States in deploying troops to the Persian Gulf was to fill the vacuum in the region at a time when Soviet national strength is declining, in an attempt to wipe out Soviet influence in the Mideast and bring about a "monopolized" new world with the United States as leader. Bush's "State of the Union Message" has explicitly described this intention.

UN Secretary General Perez de Cuellar was very dissatisfied with the U.S. attitude of keeping the United Nations aside. He openly pointed out: "It is unacceptable for the United States to want to monopolize and supervise Mideast peace, and this may also lead to a form of international dictatorship."

The United States and Israel are playing different roles now. The United States proposed the "substitution of land for peace," but Bush stressed he did not intend to "force a settlement method on Arab-Israeli conflicts." Israel tacitly understood this and opposed the substitution of land for peace. It only expressed its willingness to negotiate with Arab states and allow the Palestinians to exercise autonomy under Israeli military occupation.

Since the United States will not exert pressure and Israel has powerful military forces, Israel will stick to its ways. However, without the establishment of a Palestinian state, there can be no lasting peace in the Mideast.

### 'Roundup' Notes Lack of Unified Plan

OW1903134491 Beijing Domestic Service  
in Mandarin 0530 GMT 19 Mar 91

[Roundup by station reporter (Zhang Rong): "There Still Is No Unified Plan for Realizing Peace in the Middle East"; from the "International News and Current Events" program]

[Text] As the Gulf war ended, the international community turned its attention to the matter of ultimate peace in the Middle East. Between 13 and 16 March, U.S. President Bush successively met Canadian Prime Minister Mulroney, French President Mitterrand, and British Prime Minister Major for consultations on the post-war Middle East peace issue.

International opinion generally maintains that now is a favorable time to settle the Middle East problem. Bush's solicitation was an attempt to grasp this opportunity with a view to promoting the solution to the Middle East problem in a way favorable to the United States.

Although the United States and its Western allies fought side by side in the Gulf a few weeks ago, since the war, they have not been in complete agreement on how to

solve the problem of peace in the region. In particular, there have been long-standing differences between the United States and France on the solution of the Palestinian question. The Arab-Israeli conflict and the Palestinian question are the core issues to the Middle East peace problem. With regard to these issues, France all along has favored the convening of an international conference on the Middle East to seek a peaceful solution. It clings to this stand, even now. At a time when the gunpowder in the Gulf is still in the air, Mitterrand has taken the lead in putting forward a new peace proposal, making another appeal for the convening of one or more international conferences on the Middle East. France also has suggested the holding of a summit meeting for member-countries of the UN Security Council to discuss the Middle East issue.

During the French-U.S. summit meeting on the island of Martinique on 14 March, Mitterrand reaffirmed his country's stand, pointing out that the PLO is still the representative of the Palestinian people pursuing the establishment of a Palestinian nation. The United States all along has rejected the French proposal for a Middle East international conference. Although the United States also shares the view that now is the time for a settlement of the Middle East issue and has indicated that efforts should be made to eliminate differences between the Arab countries and Israel, and the Israeli and Palestinian people, it still does not agree to the holding of a Middle East peace conference. During this round of U.S.-French summit talks, Bush reaffirmed the U.S. stand, saying that an international conference should be held only at an appropriate time, without mentioning when the most appropriate moment will be. He maintained that the immediate convening of an international conference will not solve existing problems. Concerning the Palestinian issue, Bush still refused to resume dialogue with the PLO, which was discontinued before the Gulf war, emphasizing that the PLO supported Iraq in the war. As both parties insisted on their own views, the U.S.-French Summit failed to iron out their original differences on the issue.

On the question of military control in the Middle East region, Canada has suggested convening an international conference designed to restrict arms sales to the region. Canadian Prime Minister Mulroney maintains that certain powers, while trying to prevent the outbreak of war in the Middle East on the one hand, have been actively engaged in selling weapons to the region on the other; this does not make sense. Although Bush said, during his discussion of this matter with Mulroney, that it has been a U.S. objective to restrict arms sales to the Middle East, he maintained that the convening of an international conference is still premature.

As the United States is currently the largest arms supplier to the Middle East, if an international conference were organized to openly judge this issue, any restrictions imposed would directly affect the United States. Hence, the United States is in no hurry to deal with this issue.

Although there is no obvious difference between the United States and Britain concerning the Gulf issue, the move taken by Bush has led to the United States and its allies admitting that up to this moment there still is no unified plan for realizing peace in the Middle East.

### Human Rights Talks With Iraqi Rebels

OW2003084391 Beijing XINHUA in English  
0731 GMT 20 Mar 91

[Text] Washington, March 19 (XINHUA)—The United States has contacted with Iraq's rebels, U.S. officials said today. But the United States does not support rebels' aspirations of dismemberment of Iraq, they added.

Officials of the State Department's Human Rights Bureau met with Iraqi Kurdish representatives in Washington early this month, the department said. An official said the discussion dealt "strictly with human rights issues" and no other meetings have been held since.

At the same time, in his appearance before the House Foreign Affairs Committee, Defense Secretary Richard Cheney ducked a question about whether the United States had been in touch with Iraqi rebels. After a several-second pause, he said that it was a topic he "couldn't get into in this (open) session."

The Kurdish rebels have been battling Iraqi leader Saddam Husayn and seeking independence from Iraq.

But Richard Boucher, deputy spokesman of the State Department, said today "We do not support the dismemberment of Iraq."

Boucher also said he could not confirm reports that the Kurdish rebels have taken over the oil city of Kirkuk in northern Iraq.

At the Pentagon, spokesman Pete Williams said the Kurdish rebels "have the upper hand" in northern Iraq.

"In the south the insurgents are persistent in their activity," Williams said. "The Iraqi Government continues to assert its control in the south with some difficulty. At best we can tell there are no southern cities or towns under rebel control but insurgent activity continues."

The U.S. Government has warned Baghdad not to use helicopters and aircraft against the rebels. The U.S. military has threatened to shoot down Iraqi aircraft if they violated an informal cease-fire.

### UNSC Studies Formal Cease-Fire

OW2003023091 Beijing XINHUA in English  
0200 GMT 19 Mar 91

[By Qian Wenrong]

[Text] United Nations, March 19 (XINHUA)—The U.N. Security Council is expected to hold informal or formal consultations sometime this week to work on a

new draft resolution for setting the terms for a formal ceasefire in the Gulf, according to U.N. diplomats.

The five permanent Security Council members—Britain, China, France, the Soviet Union and the United States—reportedly had exchanged views on the draft last Friday. But no consensus was reached so far.

U.S. Ambassador to U.N. Thomas Pickering is now in Washington to receive instruction from the Bush administration and will be back to New York tonight.

The diplomats said the new resolution will set out again, but in greater detail, the ceasefire terms the Security Council adopted on March 2 in Resolution 686 which calls on Iraq to rescind its annexation of Kuwait, return all prisoners of war and Kuwaiti detainees, pay for war damages in Kuwait and elsewhere, return all stolen property, cease further military action including missile attacks and provide all information and assistance in identifying Iraqi mines, booby traps and other explosives as well as chemical and biological weapons.

Iraq has complied with most of the conditions set in Resolution 686, such as rescinding its annexation of Kuwait, releasing allied prisoners of war and acknowledging responsibility for thefts and damages. But, some of the terms such as the return of stolen Kuwaiti property and the payment of restitution obviously require more time and might continue after a formal ceasefire.

During their meeting at Bermuda last Saturday, U.S. President George Bush and British Prime Minister John Major agreed that the possible terms of a permanent ceasefire resolution include not only the internationally supervised destruction of chemical and biological weapons and the use of oil revenues for reparation, but also Iraqi recognition of the permanent borders of Kuwait, the release of all Kuwaiti detainees and provisions for an international peace force along the Iraqi-Kuwaiti border.

The British argued that the Security Council is now in a position to impose such further conditions on President Saddam Husayn as part of an obligation under previous resolution to restore "international peace and security council in the area." [sentence as received]

However, some other members of the Security Council have reservations on imposing new conditions on Iraq, proposing instead to enact a formal end to hostilities and lift economic sanctions so that Iraq can start earning some of the money it will need to pay for damages in Kuwait and elsewhere.

The Bush administration has apparently come to the conclusion that Iraq still has ample stocks of chemical or biological weapons, since Washington has threatened to resume air strikes against Iraq if such weapons are used against rebel forces now operating in southern and northern Iraq.

Diplomats said the call for the destruction of chemical and biological weapons raises difficulties. Iraq must

cooperate with the destruction plan and allow monitoring of its stocks. The Soviet Union and France reportedly support the American-British demand.

Another question is about the release of Kuwaiti detainees. Iraq has released 1,200 Kuwaitis. But some Kuwaitis claim that more than 30,000 Kuwaitis have disappeared from the emirate. Therefore, U.N. diplomats said, the issue of missing Kuwaitis poses some potentially tough questions for the Security Council about how to assess their number and determine their fate.

The Council is likely to agree on the idea to establish certain mechanisms to deal with the issues concerning the release of POW's and detained or missing Kuwaitis and the reparation.

The question of the withdrawal of coalition forces from Iraq and the Gulf region was also under discussion among the five permanent members of the Council, according to U.N. diplomats.

Many U.N. sources said they believed that pressures for removal of American and other non-Arab forces from the Gulf region will force the Security Council to replace them with a U.N. peace-keeping presence. In fact, the question is not if that will happen, but when and what form the peace-keeping will take.

The sources pointed out that a U.N. presence, most likely in the form of peace-keeping observers, will have to be placed in two areas: on the border between Iraq and Kuwait and between Iraq and Saudi Arabia.

However, Kuwait wants the Council to place the troops along the frontier Iraq agreed to in 1963, which stretches farther north to the present Iraqi area including some rich oil fields. This demand goes beyond the term set in Resolution 660 which calls on Iraq to withdraw its forces "to the position in which they were located on 1 August 1990." The Council has never previously claimed the right to settle this border dispute between Iraq and Kuwait.

On the sanction issue, U.N. sources said the new resolution most likely would maintain the embargo on military deliveries indefinitely and perhaps impose special restrictions on the transfer of dangerous technologies used in chemical and bacteriological and nuclear weapons.

They also pointed out that the Iraqi compliance with Resolution 686 and other related resolutions will eventually require the Council to lift the economic sanctions imposed on Iraq.

The United States, however, has made clear its view that some of the trade sanctions should be maintained to control Iraq's ability to buy new conventional weapons.

But, a senior U.N. official said, "If they (U.S.-allied coalition and Kuwait) want Iraq to pay reparations, as called for in Council resolutions, Iraq must be able to earn some money by selling its oil and other exports. It also urgently needs money for its own reconstruction, so the Council must



decide what its priorities are and how they are affected by keeping an economic embargo in place."

### **Postwar Mideast Aid Outlined**

HK2003011591 Beijing GUOJI SHANGBAO in Chinese  
7 Mar 91 p 3

[Article by Li Huayu (2621 0553 5148): "Political Situation in the Arab World and China's Economic Work in the Region After the Gulf War"]

[Text] The Gulf war has ended and Kuwait has regained its status as an independent nation. Through six weeks of unprecedented wanton and indiscriminate bombing and coordinated naval, ground, and air assaults with their advanced and powerful military machines, the U.S.-led multinational forces rapidly crushed Iraqi President Saddam Husayn's political ambition to lord it over the Arab world, his economic ambition to dominate the world oil market, and his expansionist ambition to become a great world military power. The Gulf region is in a state of "stability" in which all hostile activities have ceased for the time being. Nevertheless, since not a single one of the fundamental contradictions in the Gulf region and the Arab world at large has been solved, and some inherent contradictions have become more acute and intensified, the turbulent and chaotic situation in the region necessarily will continue. Moreover, the situation will become more elusive and the contradictions more complicated. The struggle against foreign aggression, the struggle between nations, the chaos caused by civil war, and changes in political power within a country will occur again and again.

**Economic disparity between rich and poor is the main and fundamental cause of instability in the Arab world.**

The Arab world includes 21 countries in the vast west Asian and North African regions. These formed the main body of the Islamic Empire founded by Muhammad and his followers some 1,300 years ago. They share a common language and religious belief and view one another as brothers. However, since "Allah" failed to treat his followers equally without discrimination, some countries have become extremely rich and others extremely poor. The annual per-capita income in the rich nations is as much as \$10,000 or more, while that in poor countries, which rank among the least developed countries in the world, is just \$400-500. Moreover, people in some of these countries are homeless and depend on others, or on begging, for a living.

**The contradiction between the Arab world and capitalist countries is becoming more acute.**

With rich oil resources and large amounts of petrodollars, the Arab world is a vast consumer market. Extending across the three continents of Europe, Asia, and Africa, the Arab world occupies an incomparable strategic position. Capitalist countries like the United States, Japan, Germany, France, and Britain, are bound to scramble for the oil and the region's market, and for

sales of arms and military technology. They are trying by every possible means to control and absorb petrodollars from the region. The capitalist countries' political, economic, and military interests in the region determine that it is impossible for them to abandon the region.

**The contradiction between Palestine and the Arab World as a whole, on the one hand, and Israel on the other, is becoming all the more intensified.**

For several decades, there has been an irreconcilable conflict of interest between the Palestinians, who were driven out of their country, and the Zionists. The Palestinians have become destitute and homeless. This situation has posed significant problems in economics and social order for some Arab nations. The Palestinians want to regain their land and the Arab world wants to remove Israel, while Israel wants to consolidate and expand the territories under its control. This contradiction is difficult to solve.

To sum up, the situation in the Arab world following the Gulf war will be confused and extremely turbulent, riddled with numerous contradictions in which relations in various aspects are extremely strained. Under these circumstances, as far as our country's economic work in this region is concerned, we should adopt appropriate measures in light of actual conditions and act accordingly, because preparedness averts peril.

1. When it comes to economic aid to this region, the method of "being short, general, and quick [duan ping kuai 4252 1627 1816]" should be adopted. The loans extended to countries in this region should be linked directly to economic aid projects. In other words, loan granting and economic aid projects should be defined simultaneously. The amount of loans extended should be appropriate and additional loans will follow only after the previous ones are used up.

2. While rendering aid to a country in this region, we should refrain from undertaking too many projects at one time and try to ensure all projects will proceed at appropriate rates and intervals, and little by little, without letup. No new projects should be launched before the previous ones are finished.

3. Deliveries of building materials, equipment, construction machines and tools, and life-sustaining materials to projects in a certain country in this region should be done in batches, according to the construction progress plan, and should be commensurate with consumption. Deliveries should not be made too frequently and in a too concentrated way to avoid stockpiling because once something unexpected occurs, it will cause unnecessary losses. After the ongoing projects are finished, prompt preparations should be made for the delivery of machines, tools, and materials for the next ones.

4. With regard to engineers and technicians sent to the Arab world, we should try our best to choose people with high political quality, a strong sense of organization and



discipline, and a perfect mastery of techniques, who are in their prime of life and in good health.

5. Great stress should be placed on both the advanced nature and the reliability of the economic aid projects undertaken by our country in this region. Although the region has a weak industrial foundation, the people there, who are relatively broad-minded, have easier access to European and U.S. advanced technology. This being the case, our country must place stress on the reliability and advanced nature of the economic aid projects it undertakes in this region. Take hospital projects for example. When our homemade products are not technically reliable, it is advisable to use imported ones.

6. We should place stress on respecting and making use of the local people's sense of participation and self respect, and to bring the enthusiasm of local engineers and technicians into play insofar as possible. In the 1970's and 1980's, Arab nations sent students to study abroad. After returning home, most of these qualified personnel assumed leadership posts in various government departments or were in charge of technical supervision work. Although they have inadequate experience, they have a strong sense of participation and self respect. Economic aid is both technical and friendship work. Only when engineering technology is combined with friendship work can economic aid work strike root in the hearts of the people and its long-term role be brought into play. Therefore, local engineers and technicians should be recruited for the construction and management of our economic aid projects in the region to help them accumulate work experience and to train qualified personnel and promote friendship.

7. We should sum up our experience in undertaking projects and running joint venture enterprises in the region, strengthen management, stress practical results, and streamline the administrative structure and staff. We have undertaken projects and run joint-venture enterprises in this region for 10 years or so, thus accumulating a lot of experience, turning out a large number of managerial personnel, and attaining certain economic results. We should conscientiously sum up our experience on this basis, improve management, appropriately streamline the administrative structure and staff, and undertake fewer new projects and run fewer new joint venture enterprises for the time being. In the days to come, we should refrain from rushing several companies with too many personnel into a country in this region to undertake projects requiring high technology in which we lack construction experience. We should undertake small and medium-sized projects that have a rather short construction period and require only general technology while promising quicker foreign exchange earnings. Joint venture enterprises should be funded by both sides, with risks jointly shared. In view of the current situation in the Arab region, we should be very careful in making investments in the region.

8. There is still potential to be tapped in technological and labor services in this region. The region lacks senior- and middle-level engineers and technicians, doctors and nurses, technical personnel in plant cultivation and water conservancy, and maintenance personnel for transportation vehicles and home electrical appliances. Therefore, there are some potential markets for our exports of labor services to this region. The countries in this region are mainly practicing a private economy and most of their factories and enterprises are run by individuals using private capital. To adapt ourselves to this situation, while actively organizing the state-approved export of labor services, we should lose no time in developing private labor services there. We should strengthen management of private labor services and treat them equally without discrimination. As far as the remuneration for private labor services is concerned, consideration should be given to the interests of individuals, collectives, and the state.

### OPEC Price Decision Welcomed

OW1803133191 Beijing XINHUA in English  
1244 GMT 18 Mar 91

[Text] Beijing, March 18 (XINHUA)—China welcomes OPEC's recent decision to reduce oil production to protect oil prices, Zheng Dunxun, general manager of the China Chemicals Import and Export Corporation, told XINHUA here today.

The Organization of Petroleum Exporting Countries (OPEC) decided on March 12 to reduce oil production by one million bbl [barrels] per day starting from the second quarter of this year. The measure aims to protect the oil price of 21 U.S. dollars per barrel.

Zheng said that it is beneficial to both oil producers and consumers to keep oil prices at a reasonable level.

He expressed the appreciation and support for the OPEC's meeting immediately after the Gulf war to discuss the oil policy and for its adoption of measures to reduce oil production to protect oil prices.

Zheng also expressed the hope that all sides involved will jointly take positive measures to protect the stability of the world oil market.

China has limited capacity to export oil, and the volume will continue to decline this year, Zheng said.

The corporation, which monopolizes the country's oil import and export business, exported 140 million bbl of crude oil and oil products last year, less than in 1989, according to Zheng.

### International Symposium on 'Tibetology' Slated

OW1503143591 Beijing XINHUA in English  
1330 GMT 15 Mar 91

[Text] Beijing, March 15 (XINHUA)—An international symposium on Tibetology will be held here in September this year.

Sponsored by the China Tibetology Research Center, the symposium will be attended by Chinese scholars and their colleagues from Britain, the United States and Australia.

An official from the research center said that this will be the first time for scholars engaged in Tibetology to carry out academic exchanges in China, though some Chinese Tibetology scholars have attended symposiums abroad.

#### **International AIDS Conference Held in Beijing**

*HK1903143191 Beijing RENMIN RIBAO in Chinese  
16 Mar 91 p 7*

[Article by staff reporter Liu Zhaoxiang (0491 0340 4382): "Confronting the Challenge of AIDS: Sidelights to the China International Conference on AIDS Prevention and Control"]

[Text] In the last decade, more and more countries and regions have come under the deadly spectre of AIDS while the number of victims has grown at a frightening pace, making AIDS a public health issue of global concern. The "China International Conference on Cooperation for AIDS Prevention and Control" opened in Beijing for the first time under the joint auspices of the Chinese Government, the UN Development Program [UNDP], and the WHO on 14 and 15 March.

More than 100 delegates from 26 countries, multilateral organizations, and nongovernmental organizations gave a forceful response to the AIDS challenge, which seriously threatens the health of mankind.

Pictures and information on display at the conference hall gave people a more perceptual and rational understanding of the dangers of AIDS. AIDS is an infectious disease which was first officially discovered in the early 1980's and is a kind of "super cancer" with a very high mortality rate. However, no effective cure has been found to date. According to WHO statistics as of 1 March this year, AIDS victims and carriers found in 163 countries and regions total 600,000 and 8 million, respectively.

UNDP Representative to China Mr. Maurer [as transliterated] told the delegates to the conference: "Last July, a young man died of AIDS in California. I was by his bedside when he passed away and I personally saw the tragedy brought to mankind by this frightening disease. We should not sit by passively in the face of this reality."

Delegates to the conference reported that, based on population ratios, the number of AIDS victims and carriers in China ranks among the lowest in the world. Public Health Deputy Minister He Jiesheng said that, along with the increase in international exchanges, preventing and controlling the growth and spread of AIDS will become one of the important tasks in China's health work.

So far, 493 AIDS victims have been reported on the Chinese mainland, with 408 of them Chinese nationals and two dead.

Last March, China formulated a medium-term programme (1990-1992) for the prevention and control of AIDS, with its basic measures designed to enhance publicity and education and improve the social environment.

This program mapped out in detail the activities and arrangements to carry out detection, plan supervision, prevent the spread of the disease, prevent blood contamination, prevent the spread from mother to child, reduce social and economic influences, and conduct scientific research, as well as the administration and evaluation of the program. It also formulated a work program divided into quarters. Delegates from many international organizations and from countries including Holland, Australia, France, Denmark, and the Soviet Union spoke highly of the medium-term plan. The WHO representative in China, Dr Keyne [as transliterated], described it as "far-sighted" and "an immense encouragement" to them.

Today, AIDS has become the common foe of all mankind. Chinese and foreign delegates unanimously maintained that the prevention and control of AIDS requires the concerted efforts and close cooperation of international organizations and the people of all countries. This conference is a continuation, as well as a new beginning in our country's cooperation with concerned international organizations and friendly countries.

#### **United States & Canada**

##### **U.S. Delegation Told Tiananmen Trials Over**

*HK2003120491 Hong Kong AFP in English 1155 GMT  
20 Mar 91*

[Text] Beijing, March 20 (AFP)—Chinese legal authorities have told U.S. lawyers they will hold no more trials of participants in the 1989 democracy protests, American Bar Association (ABA) president John Curtin said here Wednesday.

The Justice Ministry, Supreme Court, Beijing public prosecutor and Standing Committee members of the National People's Congress (parliament) all assured a visiting ABA delegation that the trials were over, Mr. Curtin told a news conference.

Mr. Curtin and his group, who arrived here for a week-long visit Sunday, also had talks with Chinese lawyers.

He described the meetings as "very productive" but deplored the Chinese authorities' refusal to let his group meet with democracy protestors sentenced this year, particularly Wang Juntao and Chen Ziming, who in January received the stiffest penalties of 13 years.

"Lawyers told us they are pursuing appeals for Wang Juntao and Chen Ziming," Mr. Curtin said. "We are going to try to get contacts with their families."

A high court spokesman said Wednesday he had no information on the admissibility of these appeals or on the trial, scheduled for Wednesday, of Han Binglin.

Mr. Han is charged with "counter-revolutionary propaganda and incitement" to overturn the socialist system, and liable to at least five years' imprisonment.

The visit was brief but permitted U.S. lawyers to convey "our very deep concern about respect of human rights" in China, Mr. Curtin said.

"It is a small contribution to help to advance the rule of law," he said, adding that this was "obviously a factor in the debate at the U.S. Congress" on China's most-favored-nation trading status.

The lawyers were to leave here Wednesday for a visit to Shanghai.

### XINHUA Report

*OW2003125991 Beijing XINHUA in English  
1202 GMT 20 Mar 91*

[Text] Beijing, March 20 (XINHUA)—A senior Chinese leader today encouraged expanding exchanges between Chinese and U.S. legal circles.

Vice-Premier Wu Xueqian met with a delegation from the American Bar Association (ABA) led by its president John J. Curtin here this afternoon.

Strengthened exchanges and cooperation between China and the United States in all fields, including the legal circles, will contribute to the enhancement of mutual knowledge between people of the two countries, Wu said.

"And that in turn will help consolidate and further relations between the two countries," he added.

Curtin said that with major differences in political systems and social values, it is very important for the United States and China to maintain candid dialogues and reach mutual understanding.

He defined mutual knowledge as the purpose of his delegation's current trip in China.

The ABA group arrived Sunday for a 10-day visit as guests of the All-China Association of Lawyers and the China Law Society. They will go on to tour Shanghai after their stay here.

Since Sunday, the delegation has held talks with their counterparts from the Chinese Association of Lawyers and the Law Society, according to Chinese sources.

Also, they met with leaders of the Supreme People's Court, the Supreme People's Procuratorate and the Commission of Legislative Affairs under the Standing Committee of the National People's Congress, the sources said.

In the coming days, the group is scheduled to visit a local court and hear a trial there, and have a discussion with the staff of a legal firm. In Shanghai, they are expected to tour a prison, according to the sources.

### Soviet Union

#### Air Force Chief Hosts Soviet Delegation

*OW2003150291 Beijing XINHUA in English  
1432 GMT 20 Mar 91*

[Text] Beijing, March 20 (XINHUA)—General Wang Hai, commander of the Air Force of the Chinese People's Liberation Army, held a banquet here tonight in honor of a Soviet aviation delegation which will perform a demonstration flight later this week in Beijing.

The Soviet delegation, led by the Soviet Union's First Deputy Minister of Aircraft Industry [first deputy minister of the aviation industry] Aleksandr Gerashchenko, arrived in Beijing on March 18 after participating in an aircraft show in the Philippines.

In their toasts, Wang and Gerashchenko praised the Sino-Soviet friendly cooperation.

#### Suifenhe Border Trade Sees Sustained Growth

*OW2003083191 Beijing XINHUA in English  
0650 GMT 20 Mar 91*

[Text] Harbin, March 20 (XINHUA)—Suifenhe, a city bordering on the Soviet Union in northeast China's Heilongjiang Province, recorded 13.89 million yuan in revenue from Sino-Soviet border trade in 1990.

An official from the city's government said that the city, which has a population of 28,000, has witnessed the sustained growth of border trade with the Soviet Union since it resumed trading in 1987.

In 1990, the value of trade contracts signed totalled 450 million Swiss francs, a 7.8 percent of increase over 1989. In all, goods valued at 120 million Swiss francs were traded last year, generating profits and tax valued at 69 million yuan.

Since 1988, the city's border trade departments have turned over a total of 27.34 million yuan to the city.

Suifenhe City's trade with the Soviet Union accounts for one tenth of the country's total and one sixth of the province's total.

At present, the city has 29 border trade companies and agencies and 248 trade partners in the Soviet Union.

#### Denmark Criticized for Establishing Baltic Ties

*OW2003024991 Beijing XINHUA in English  
0228 GMT 19 Mar 91*

[Text] Moscow, March 19 (XINHUA)—Soviet Deputy Foreign Minister Yuliy Kvitsinskiy today presented a note to Danish ambassador to the Soviet Union, Vagn Egebjerg, criticising Denmark for signing a protocol with Estonia in "violation of principles of international law."

The note was read out by Soviet Foreign Ministry Spokesman Vitaliy Churkin at a news briefing Tuesday.



Denmark and the Estonian republic signed a protocol March 11 in Copenhagen, which mentioned Denmark's decision "to restore diplomatic ties" with Estonia.

Denmark signed a similar protocol with Lithuania on February 28, and concluded another one with Latvia Monday, Churkin said.

The Foreign Ministry note said Denmark's development of ties with Soviet constituent republics "should be limited within the Soviet Constitution."

Copenhagen's activities in the Baltic republics were "unfriendly," which would damage the normal process of the relations between the Soviet Union and Denmark, the note added.

The Soviet side will have to consider corresponding measures if Denmark does not change its current policy, it said.

Last month, the Soviet Union lodged a protest against Iceland when the Icelandic Government decided to establish "diplomatic relations" with Lithuania.

#### **Position on Safeguarding Yugoslavia Reiterated**

*OW2003035491 Beijing XINHUA in English  
0237 GMT 19 Mar 91*

[Text] Moscow, March 19 (XINHUA)—The Soviet Union today reiterated its consistent position on safeguarding Yugoslavia's territorial integrity, the inviolability of her borders and the desire for national unity.

The remarks were made by Soviet Foreign Ministry Spokesman Vitaliy Churkin at a press conference here today.

Talking about the Soviet attitude towards the current situation in Yugoslavia, Churkin said it is an internal affair for the Yugoslav people to solve their problems on their own and there should not be any foreign intervention to internationalize the country's domestic problems.

He called on all sides to abide by the principles of the European Security and Cooperation Conference to realize cooperation of mutual interest and trust among all European countries.

#### **'Overwhelming Majority' Vote for Unified Country**

*OW2003035291 Beijing XINHUA in English  
0249 GMT 19 Mar 91*

[Text] Moscow, March 19 (XINHUA)—Soviet Presidential Advisor Grigoriy Revenko said today that an overwhelming majority of the voters favored the retaining of a unified country in last Sunday's referendum on the future of the Soviet Union.

Speaking at a press conference, he said initial returns showed that the eligible voters who participated in the polling ranged from 69 percent to 90 percent, though the total result of the referendum was yet to come out.

He said the referendum had laid a foundation to the country's further democratic reform, gaining support for the reform from the Soviet people and the shaping of an integrated economic zone in the country.

Asked about Soviet President Mikhail Gorbachev's attitude on the results of the referendum, the advisor said his response was "normal and calm."

The referendum, he said, required that the Soviet Union take immediate concrete measures: to proceed with the economic reform, undertake the work for a union treaty and to stop the "war of laws" for a normal functioning of the whole society based on laws and the state Constitution.

### **Northeast Asia**

#### **Zou Jiahua Meets Japan's Sasagawa Fund Chief**

*OW1603132791 Beijing XINHUA in English  
1242 GMT 16 Mar 91*

[Text] Beijing, March 16 (XINHUA)—Zou Jiahua, Chinese state councillor, met here today with Yohei Sasagawa, president of the Japan Foundation for Ship-building Advancement.

Yohei Sasagawa, also chief representative of the Sasagawa Japan-China Friendship Fund, arrived here yesterday at the invitation of the China Association for International Friendly Contacts.

Sasagawa Foundation began to devote itself to promoting exchange of medical personnel with China five years ago and some 500 Chinese doctors and nurses have studied in Japan with its help since then.

#### **Li Tieying Receives Japanese Guests**

*OW1903085991 Beijing XINHUA in English  
0821 GMT 19 Mar 91*

[Text] Beijing, March 19 (XINHUA)—Chinese State Councillor Li Tieying met with Nishida Seiya, former Japanese Government's representative at the International Garden and Greenery Exposition in Osaka in 1990, and his party here this afternoon.

#### **Gu Mu Meets With Japanese Delegation**

*OW1703110291 Beijing XINHUA in English  
0826 GMT 17 Mar 91*

[Text] Beijing, March 17 (XINHUA)—Gu Mu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with a delegation of members of the former Japanese people's liberation union led by Yasutaki Seig [name as received], an old friend of the Chinese people, here this afternoon.

**DPRK Provincial Delegation Visits Liaoning**

*SK2003071091 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 19 Mar 91*

[Text] At the invitation of the Liaoning Provincial CPC Committee, a seven-member delegation of propagandists of North Pyongan Province, headed by (Kim Kukyang), executive member of the North Pyongan Provincial Committee of the Workers Party of Korea [WPK] and director of the Propaganda Department of the provincial WPK Committee, arrived in Shenyang by train on the morning of 18 March for a visit.

Wang Chonglu, Standing Committee member of the provincial party committee and director of the Propaganda Department of the provincial party committee, and (Ding Shifa), deputy secretary of the Shenyang City party committee, met the delegation at the station.

That evening, Sun Qi, deputy secretary of the provincial party committee, met with and feted all comrades of the delegation at the Youyi Guesthouse. The host and guests had a cordial and friendly conversation.

**U.S.-S. Korean Joint Military Exercises Noted**

*HK2003121991 Beijing RENMIN RIBAO in Chinese 14 Mar 91 p 6*

[XINHUA report: "The United States and South Korea Conduct Large-Scale Joint Military Exercises"]

[Text] Pyongyang 12 Mar (XINHUA)—According to a Seoul Radio Broadcast Station report, the U.S. and South Korean Armies are conducting large-scale joint mobile military field exercises inside South Korean territory beginning today.

The mobile field exercises are a rehearsal for the "Team Spirit '91" joint military exercises and are a major component, at that. Participating in the current mobile field exercises are some 140,000 U.S. and South Korean troops, a cut of 30 percent over last year.

This morning, the U.S. and South Korean Navies conducted a large landing exercise on the coast east of the military demarcation line. Later, the U.S. and South Korean troops will conduct other exercises to the east of the military demarcation line and at the front's center. The current mobile field exercises will last until 21 March.

A North Korean NODONG SINMUN commentary stressed that, with the joint U.S.-South Korean military exercises entering the rehearsal phase, a tenser situation has surfaced on the Korean peninsula.

**Southeast Asia & Pacific****Shipbuilder Hopes To Promote Warship Sales**

*OW2003080291 Tokyo KYODO in English 0625 GMT 20 Mar 91*

[Text] Singapore, March 20 KYODO—The first major defense exhibition in the region since the end of the Persian Gulf war opened in Singapore on Wednesday with more than 160 companies from 26 countries participating.

The four-day exhibition, "Defense Asia 91," displayed high-tech weaponry and armaments, including those which were deployed in the Gulf war.

Besides defense industry personnel from the Asia-Pacific region, defense officials from Australia, Brunei, China and Myanmar [Burma] are also expected to attend the exhibition.

The STRAITS TIMES DAILY reported on Wednesday that many of the firms are planning to seek partners in the region for joint production deals.

Jacques Gentgen, the executive vice president of Giat Industries, a major French weapons manufacturer, told KYODO NEWS SERVICE his company was interested in forging a long-term relationship with Singapore defense companies, including forming joint ventures for production.

China Shipbuilding Trading Co. Vice President Li Jian said his company wanted to promote sales of its warships in Southeast Asia.

**CNR Urges Reconvening PICC Committee**

*OW1903224191 Beijing XINHUA in English 1541 GMT 19 Mar 91*

[Text] Bangkok, March 19 (XINHUA)—Leaders of the tripartite Cambodian National Resistance (CNR) under the leadership of Samdech Norodom Sihanouk today called once again for reconvening as soon as possible the coordinating committee meeting of the Paris International Conference on Cambodia (PICC).

In a communique issued here this evening, the leaders said they are pleased to see that "the world community wish to have a comprehensive political settlement of the Cambodian conflict on the basis of the U.N. peace plan and in the framework of the PICC."

Therefore, the leaders urged the holding of the PICC coordinating committee meeting as soon as possible in conformity with the Paris joint communique of December 23, 1990.

In the joint communique, all the four Cambodian factions have agreed on "most fundamental points" of the U.N.-sponsored peace plan for Cambodia and that the Cambodia issue should be solved in a comprehensive way.

To this end, the CNR leaders expressed their renewed support to the initiative of the two PICC co-chairmen

(France and Indonesia) to convene another meeting in Jakarta of the two co-chairmen and members of the Cambodian Supreme National Council.

The leaders also reiterated their "deep gratitude to the world community for their support to the just cause of the Cambodian people to regain their national independence and sovereignty."

The CNR comprises the Khmer People's National Liberation Front, the Sihanoukian National Army and the National Army of Democratic Cambodia.

### **Indonesia To Simplify PRC Travel Procedures**

*OW1403191391 Beijing XINHUA in English  
1501 GMT 14 Mar 91*

[Text] Singapore, March 14 (XINHUA)—The Indonesian Government will soon revoke a special president's decree on travel procedure to China in order to respond to businessmen's willingness to promote bilateral trade.

Indonesian newspapers reported today this announcement by Minister/State Secretary Moerdiono to newsmen after meeting Indonesian President Suharto in Jakarta on Wednesday.

Moerdiono said that the government applies ordinary overseas travel procedures to China similar to other countries.

The minister said that after Indonesia resumed diplomatic ties with China, it no longer needs the decree, which was actually a regulation to arrange direct trade before the two countries normalized their diplomatic ties.

"We are going to revoke the decree and replace it with another decree," Moerdiono said, adding that there is no problem in Indonesian businessmen's travel to China.

### **Vice Foreign Minister Liu Huaqiu Visits Fiji**

#### **Meets Acting Prime Minister**

*OW1803125591 Beijing XINHUA in English  
1242 GMT 18 Mar 91*

[Text] Canberra, March 18 (XINHUA)—Fijian Acting Prime Minister Josevata Kamikamica has reaffirmed that Fiji is continuing to pursue a "one China" policy.

Kamikamica made the reaffirmation when he met visiting Chinese Deputy Foreign Minister Liu Huaqiu this morning. He also expressed satisfaction with the development of the friendly cooperation between Fiji and China.

Fiji has had some trade and economic contacts with Taiwan, but it appreciates China's stand on Taiwan, Kamikamica explained.

Liu Huaqiu made a brief account on China's stable situation in political, economic and social fields. He expected that the friendly cooperative relations would be further extended through the mutual efforts of the two countries.

A broad agreement was reached in their talks between Liu Huaqiu and Acting Permanent Secretary Peni Waqanicakau of the Fijian Foreign Affairs Department on Bilateral Relations and Certain International Affairs.

Waqanicakau said that the Fijian Government supports China's unification and hopes it would be materialized.

Fijian Health Minister Apenisa Kurisaqila gave a banquet at the guest house tonight in honor of Liu Huaqiu.

### **Talks With President**

*OW1803073391 Beijing XINHUA in English  
0631 GMT 18 Mar 91*

[Text] Canberra, March 18 (XINHUA)—Penaia Ganilau, president of the Republic of Fiji said today that he was looking forward to further development of friendly relations between Fiji and China, and believed that his forthcoming visit to China would contribute to the development.

The president made the remarks while he was meeting with visiting Chinese Deputy Foreign Minister Liu Huaqiu at the Presidential Palace, according to a report reaching here from Suva.

The president said that Fiji values very much the friendly cooperative relationship with the People's Republic of China. He also expressed his sincere thanks to China for the support it has provided Fiji over these years, which has contributed to the improvement of Fiji's national economy.

Liu Huaqiu regarded President Ganilau as an old friend of China, and said that Ganilau did a lot for the improvement of the friendly cooperation between China and Fiji.

Liu believed that the friendly cooperative relationship between the two countries would be further enhanced as a result of China's implementation of the policy of reform and opening up its doors to the outside world.

Liu conveyed Chinese President Yang Shangkun's kind greetings to President Ganilau and Ganilau warmly reciprocated his kind wishes.

### **Presents Medical Instruments**

*OW1903141291 Beijing XINHUA in English  
1330 GMT 19 Mar 91*

[Text] Canberra, March 19 (XINHUA)—The Chinese Government today presented the Fijian Government with a lot of medical apparatus and instruments which are worth 100,000 U.S. dollars.

Visiting Chinese Deputy Foreign Minister Liu Huaqiu and Fijian Health Minister Apenisa Kurisaqila signed the exchange letters on behalf of their respective governments.

Speaking at the presentation ceremony in the Fijian capital of Suva, Kurisaqila expressed his thanks to the Chinese Government for the gift. He said China has



always been friendly with Fiji, and his nation must strengthen its existing friendly and cooperative relationship with China in the years to come.

Meanwhile, new Chinese ambassador to Fiji, Hua Junduo, gave a reception tonight in the Chinese Embassy in honor of Liu Huaqiu and his party. Fijian President Penaia Ganilau, acting Prime Minister Josevata Kamikamica, and five other government ministers attended the reception.

### **Marshall Islands President Continues Visit**

#### **Yang Shangkun Hosts Banquet**

*OW1403164591 Beijing XINHUA in English  
1341 GMT 14 Mar 91*

[Text] Beijing, March 14 (XINHUA)—Chinese President Yang Shangkun hosted a banquet at the Diaoyutai State Guesthouse here this evening to welcome Amata Kabua, president of the Republic of Marshall Islands.

President Kabua and his party attended the banquet which was marked by friendship and cordiality.

Present were Wu Xueqian, Chinese vice-premier, Seypidin Aze, vice-chairman of the Standing Committee of the National People's Congress, and Ma Zhongchen, chairman of the Chinese Government Reception Committee.

#### **Kabua Departs for Guangzhou**

*OW1603085891 Beijing XINHUA in English  
0848 GMT 16 Mar 91*

[Text] Beijing, March 16 (XINHUA)—Chinese President Yang Shangkun bid farewell to Amata Kabua, visiting president of the Republic of the Marshall Islands, at the guesthouse here this morning.

Yang said during Kabua's stay in Beijing, the two sides exchanged views on an extensive range of issues, which deepened mutual understanding and friendship between the two countries.

Kabua expressed his thanks for the warm reception accorded him, describing his visit as "very fruitful and successful." Wherever he went, he said, he felt the friendship of the Chinese people for the people of the Marshall Islands. He pledged that he would do his best to further promote cooperation and friendship between the two countries.

Prior to the conversation, the two presidents attended a ceremony to sign an agreement on economic and technological cooperation between the two countries and exchange notes on Chinese Government economic aid to the Marshall Islands.

Tong Zhiguang, Chinese vice-minister of the foreign economic relations and trade, and Laurenc N. Edwards, ambassador of the Marshall Islands, signed the agreement and notes.

Kabua and his party left here this afternoon for Guangzhou in south China.

### **Visits Guangdong**

*OW1903222691 Beijing XINHUA in English  
1505 GMT 19 Mar 91*

[Text] Guangzhou, March 19 (XINHUA)—Amata Kabua, president of the Republic of the Marshall Islands, left here this evening for Shanghai after his four-day visit to Guangdong Province in south China.

Four years ago, Kabua had paid a five-day private visit to the province upon the invitation of the China Association for International Friendly Contacts. This time, at a dinner held in his honor, President Kabua said to the provincial Governor Ye Xuanping, "the changes that have occurred in the past four years impress me a great deal."

In his visit to Shenzhen City, a Special Economic Zone, Kabua went sightseeing in "the Beautiful China" Park, a scenic spot with replicas of China's most famous sites and scenic spots, and visited the Shenzhen Industrial Exhibition Hall.

### **Belau President Arrives for Visit**

*OW1503145891 Beijing XINHUA in English  
1407 GMT 15 Mar 91*

[Text] Beijing, March 15 (XINHUA)—Ngiratkel Etpison, president of the Republic of Belau [Palau], and his wife arrived here this evening on a week-long visit to China.

Accompanying the president on the tour are S. Kyota, speaker of the House of Delegates of Belau, and P.L. Sugiyama, floor leader of the Senate.

Etpison has come as guest of the Chinese People's Institute of Foreign Affairs. He is scheduled to also visit the cities of Shanghai and Guangzhou.

Located in the West Pacific, Belau is part of the trust territory of the Pacific islands of the United States.

### **Meets Han Nianlong**

*OW1603134591 Beijing XINHUA in English  
1325 GMT 16 Mar 91*

[Text] Beijing, March 16 (XINHUA)—Visiting President of Palau N. Etpison and a Chinese public leader agreed here today that although China and Palau have not yet established diplomatic ties, both sides hope to promote friendly contacts and, in particular, economic and trade contacts between them.

The identical views were expressed in a meeting between Han Nianlong, president of the Chinese People's Institute of Foreign Affairs, and President Etpison here.

Han said at the friendly meeting that both China and Palau, as developing nations in the Asia-Pacific region, are making unremitting efforts for development.

He expressed the belief that the current visit by Etpison would serve to increase understanding between the two peoples, contribute to bilateral friendly co-operation and give a new impetus to increasing bilateral contacts.

Han noted that the Chinese Government has always maintained that countries, whether big or small, rich or poor, strong or weak, should treat each other on an equal footing. China is willing to develop friendly ties with all countries, including Palau, on the basis of the five principles of peaceful co-existence.

Etpison said he hoped the bilateral friendly contacts that have already been developed would continue.

"We should focus our attention on developing bilateral economic and trade contacts. We are both rich in ocean resources and we can explore ways to collaborate in this field," he added.

After the meeting, Han hosted a dinner in honor of Etpison, his wife and their party.

Palau is part of the Trust Territory of the Pacific islands administered by the United States.

#### **Received by Yang Shangkun**

OW1803081191 Beijing XINHUA in English  
0738 GMT 18 Mar 91

[Text] Beijing, March 18 (XINHUA)—Chinese President Yang Shangkun said here today that China hopes to develop friendly ties of co-operation with Belau [Palau] and all other countries in the Asia-Pacific region.

In a meeting with visiting President N. Etpison of Belau, Yang said he was very pleased to welcome Etpison, who is the first president of Belau to come here for a friendly visit.

Yang noted that China has always maintained that countries, whether big or small, strong or weak, should treat each other on an equal footing. China is absolutely against big or strong powers bullying small or weak countries, he said.

"We are willing to develop equal, co-operative and friendly ties with all countries, including Belau; on the basis of the five principles of peaceful co-existence," he said.

Yang stated that there exist no political conflicts between China and Belau and that he believed the current visit by Etpison would serve to promote bilateral relations.

Etpison said Belau appreciates the five principles of peaceful coexistence that China stands for and hopes to enhance mutual economic and trade ties. Belau is willing to collaborate with China in opening up ocean resources, he said.

His current visit represents a milestone in the friendly relationship between Belau and China, Etpison added.

Han Nianlong, president of the Chinese People's Institute of Foreign Affairs was present at the meeting.

Etpison and his party are scheduled to leave here tomorrow for a tour of Shanghai and Guangzhou tomorrow.

#### **Near East & South Asia**

##### **Pakistani President Meets Military Delegation**

OW1903171191 Beijing XINHUA in English  
1640 GMT 19 Mar 91

[Text] Islamabad, March 19 (XINHUA)—Pakistan President Ghulam Ishaq Khan met here this afternoon visiting Chinese military goodwill delegation headed by General Xu Xin, deputy chief of the Army Staff of the Chinese People's Liberation Army.

During the meeting, the two sides exchanged views on current international situation and issues of common concern.

According to an official source here, they reached an identical view on issues they exchanged.

Xu Xin conveyed regards to President Ishaq Khan from the Chinese President Yang Shangkun. Ishaq Khan also asked Xu to convey his regards to President Yang and hoped that the Chinese president will visit Pakistan at an early date, the source said.

After the meeting, the Pakistani president conferred on General Xu Xin an outstanding military medal.

Speaking at the medal-awarding ceremony, Ishaq Khan paid a high tribute to Xu Xin for his contributions to promoting the friendship and cooperation between the two countries and the two Armies of Pakistan and China.

Thanking the president for giving him such a high honor, Xu said "This is not only an honor for me, but also an honor for the Chinese People's Liberation Army".

General Mirza Aslam Beg, chief of the army staff of Pakistan, and other senior military officers as well as Chinese Ambassador Tian Ding and military attache Wang Xueqian attended the meeting and the medal-awarding ceremony.

Xu Xin and his party were also received by Prime Minister Nawaz Sharif at the prime minister house here this evening.

The five-member Chinese military goodwill delegation arrived here on March 17 for a week-long official goodwill visit to Pakistan at the invitation of General Beg, who paid a visit to China earlier this year.

##### **China-Tunisia Joint Committee Meeting Adjourns**

OW1603220091 Beijing XINHUA Domestic Service  
in Chinese 2130 GMT 15 Mar 91

[Text] Tunis, 15 Mar (XINHUA)—The third meeting of the China-Tunisia Joint Committee concluded after signing a summary of the meeting today.



Wang Wendong, Chinese vice minister of foreign economic relations and trade, and Noureddine, secretary of state for foreign affairs of the Tunisian Foreign Ministry, signed the summary on behalf of their respective governments.

According to the summary of the meeting, China will extend an interest-free loan to Tunis, present it with an acupuncture center, and help build an archives hall.

#### **Tunisian President Receives Envoy**

*OW1603215991 Beijing XINHUA Domestic Service in Chinese 0435 GMT 16 Mar 91*

[By reporters Zhou Xungang (0719 6064 0474) and Gong Zhenxi (2162 2182 0823)]

[Text] Tunis, 15 Mar (XINHUA)—Tunisian Prime Minister Hamed Karoui received Wang Wendong, visiting Chinese vice minister of foreign economic relations and trade, here today. The Tunisian prime minister had a cordial and friendly conversation with the Chinese vice minister.

Speaking highly of the development of relations between Tunisia and China, the prime minister said: The Tunisian Government and people attach great importance to developing friendly and cooperative relations with China. Tunisian President Ben Ali's upcoming visit to China will certainly enhance bilateral relations.

Wang Wendong said: The Chinese Government is looking forward to President Ben Ali's visit to China, which will be an important event in the history of relations between the two countries. He extended Premier Li Peng's cordial greetings and best wishes to Karoui. The Tunisian prime minister invited Premier Li Peng to visit Tunisia at an appropriate time.

#### **Sub-Saharan Africa**

##### **Economic, Cultural Pacts Signed With Djibouti**

*OW1603071791 Beijing XINHUA in English 0656 GMT 16 Mar 91*

[Text] Beijing, March 16 (XINHUA)—Chinese President Yang Shangkun and Djibouti President Hassan Gouled attended a ceremony for signing economic and technological and cultural agreements between the Chinese and Djibouti Governments here this morning.

Li Lanqing, Chinese minister of foreign economic relations and trade, Liu Deyou, Chinese vice-minister of culture, and Moumin Bahdon Farah, Djibouti minister of foreign affairs and cooperation signed the agreements.

After the ceremony, the two presidents had a conversation as they bid farewell. Yang described Gouled's China visit as "fruitful", saying that leaders of the two countries exchanged views on the development of bilateral relations and international and regional issues of common concern.

Gouled said that in his two visits to China he felt the friendly and brotherly feelings of China.

##### **Wu Xueqian Meets Gambian Information Minister**

*OW1903114291 Beijing XINHUA in English 1121 GMT 19 Mar 91*

[Text] Beijing, March 19 (XINHUA)—Vice-Premier Wu Xueqian met Gambian Minister of Information and Tourism Alkali James Gaye here today.

They had a friendly conversation.

Gaye arrived in Beijing for a visit at the invitation of Chinese Deputy Foreign Minister Yang Fuchang.

#### **West Europe**

##### **British Military Presence in Gibraltar Ends**

*OW1803184591 Beijing XINHUA in English 1705 GMT 18 Mar 91*

[Text] London, March 18 (XINHUA)—The British Royal Green Jackets Third Battalion formally handed over responsibility for Gibraltar's security to the local Gibraltar regiment today, ending 287 years of British military presence there, REUTER NEWS AGENCY said today.

The British military presence there began with the capture of Gibraltar in 1704 from Spain which has a long-standing territorial claim on the rock on its southern tip.

British military officials said the departure of the battalion, to be completed by the end of March, is a recognition that Spain no longer poses a threat.

The locally-recruited Gibraltar regiment will play a limited role in guarding NATO installations as well as performing ceremonial duties.

##### **New UK Prime Minister's 1st 100 Days Reviewed**

*HK1803033091 Beijing RENMIN RIBAO in Chinese 9 Mar 91 p 6*

["News analysis" by staff reporter Chen Tean (7115 3676 1344) dispatched by RENMIN RIBAO from London: "The First 100 Days of John Major's Premiership"]

[Text] The seventh of March marked 100 days of John Major as prime minister.

Major was appointed as prime minister in a turbulent autumn: Britain was engaged in the Gulf conflict; the country was being increasingly isolated within the European Community; endless disputes erupted within the Conservative Party; and the domestic economy was moving toward recession, while complaints were heard everywhere about high interest rates and the poll tax. With this hard nut to crack, Major was compelled to "walk the tightrope" with great care. Through nearly 100

days of efforts, opinion polls show that he has become one of the British prime ministers with the highest popularity ratings in the postwar years. Public opinion maintained: He is "the most appropriate candidate to lead the Conservative Party to victory in the coming general election."

In foreign affairs, Major inherited the basic principles of his predecessor, but he handled things with greater flexibility. After assuming office, he first visited the United States, with which he closely cooperated in the Gulf war, thus pushing the "special British-U.S. relationship" a step further. He attended the EC summit meeting in Rome and stressed British readiness to give full play to its role in European integration, thus avoiding Britain's becoming isolated. He also placed stress on the resumption and development of relations with China and refused to meet the Dalai Lama in person. His foreign secretary, Douglas Hurd, said that maintaining good British-Chinese relations was of great importance and expressed his wish to visit China. The prime minister has visited Germany, France, and the Soviet Union, and will visit Germany once again next week. Public opinion here held that although Britain still faces challenges in such issues as its policies toward Europe and South Africa, Prime Minister Major has "achieved some results Mrs. Thatcher never accomplished" in foreign affairs.

In domestic affairs, he took great pains to soothe the people and create a "moderate" image. The moment he assumed office, he made "several fires": First, he declared readiness to make an overall review of the "poll tax," which had triggered unrest, and promised to do some remedial work, such as tax cuts and tax write-offs, before revising the poll tax. Second, he declared readiness to increase spending on the National Health Service and solve the current problem of patients finding it difficult to see a doctor. Third, he declared readiness to provide the homeless with 1,000 beds while the English Channel was covered with snow and snowflakes were swirling over it. Fourth, while the inflation rate dropped from 9.3 percent at the end of last year to the present 9 percent, the interest rates had been lowered two times by half a percentage point each. In addition, Prime Minister Major also took great pains to create a new-type cabinet management style. Although he has his own ideas when matters arise, he submits them to the cabinet for discussion to win the support of his colleagues, and never makes any arbitrary decisions himself.

The reality facing the Major administration is grim. The biggest problem is that the British economy is in a serious recession. According to statistics released recently, the gross domestic product has dropped for two quarters running. It decreased by 1.2 percent in the third quarter of last year and dropped again by 1.1 percent in the last quarter. The unemployment rate rose from 6.5 percent at the end of last year to 6.6 percent in January. Business confidence plunged to the lowest point since October 1980. During all of 1990, 2,442 enterprises went bankrupt, a record high. Industrial investment dropped by about 2 percent. Britain's agriculture has been in the most serious recession of the last 50 years. Last year, the

incomes of farm owners fell by 14 percent. Prime Minister Major admitted: "This is a recession because production has dropped (since July 1990)." The recession will last "for the coming several months."

What is more thorny is that the government has little room for maneuver while the economy is moving toward recession. To ease the economic recession, lowering interest rates, expanding government public spending, and cutting taxes are possible options. However, the government's prime economic target is to keep inflation down. Since the cost of wages increased by a fairly large margin, the inflation rate came down slowly, and the pound sterling was sluggish in the European Exchange Rate Mechanism, the government dared not cut interest rates rashly. Moreover, the huge spending in the Gulf war has pounded the government's mid-term fiscal balancing policy. This being the case, the government's room for maneuver to expand public investment and cut taxes is relatively limited.

A cease-fire has been achieved in the Gulf war, but Britain faces a fight on moving up the date of the general election. In the early days when he assumed office, Prime Minister Major projected holding the general election in May to June of this year. In fact, all parties have been making preparations for the general election. The Conservative Party has set about preparing an electoral declaration and the Liberal and Democratic Party has begun to do campaign publicity work. The rapid end of the Gulf war may possibly be advantageous to the Conservative Party in campaigning for office, but it is still the economy that ultimately decides the general election. If the economy does not improve remarkably, the prospects for the Conservative Party to win the elections will be unpromising. Who will emerge victorious depends on how the Conservative Party government will move to meet the challenge.

#### He Guangyuan Meets Italian Prime Minister

OW1603215191 Beijing XINHUA Domestic Service  
in Chinese 2155 GMT 15 Mar 91

[Text] Rome, 15 Mar (XINHUA)—During a meeting with He Guangyuan, Chinese minister of machine-building and electronics industry, at the Presidential Office today, Italian Prime Minister Andreotti said that his country appreciated the stand taken by China during the Gulf crisis.

He expressed satisfaction with the results achieved in various fields of cooperation between the two countries. He also showed a keen interest in the progress made in the joint venture between the IVECO Company of Italy's Fiat Group and China's Nanjing Automobile Plant.

Minister He Guangyuan arrived here on 10 March on a week-long visit at the invitation of the IVECO Company.

**Zou Jiahua Meets Cypriot Communications Minister**  
*OW1403142991 Beijing XINHUA in English*  
1309 GMT 14 Mar 91

[Text] Beijing, March 14 (XINHUA)—Zou Jiahua, Chinese state councilor and minister in charge of the State Planning Commission, met Pavlos Savvidhis, Cypriot minister of communications and works, and his party here today.

The visitors are here for discussions on enhancing ocean-shipping cooperation between Cyprus and China.

**Latin America & Caribbean**

**Wu Xueqian Receives Brazilian Guest**  
*OW1903114991 Beijing XINHUA in English*  
1125 GMT 19 Mar 91

[Text] Beijing, March 19 (XINHUA)—Vice-Premier Wu Xueqian met Wellington Moraira Franco, former governor of Rio de Janeiro State of Brazil here today.

Franco came to visit China at the invitation of the Chinese People's Institute of Foreign Affairs. He will also visit Xian, Shanghai, Hangzhou, Guangzhou and Shenzhen.

**Hunan Delegation Ends Visit to Peru**

*PY1603150891 Lima RTP Television Network*  
*in Spanish 1100 GMT 14 Mar 91*

[Text] United Left President Henry Pease departed for the PRC early this morning. Pease is accompanying a PRC delegation that stayed in Lima for one week discussing investment in the mining sector. This is what the delegation leader [Yu Haichao] said at the airport:

[Begin recording] [Yu, in Chinese with passage-by-passage Spanish translation] The Hunan Province Government delegation was warmly received by the Peruvian Government and people. We were received by the president of the republic and by the presidents or vice presidents of the Senate and Chamber of Deputies. The Peruvian people gave us a very warm reception. The delegation wants to take advantage of this opportunity to speak on Peruvian television to express its gratitude to the president of the Republic and the Peruvian people.

Our delegation met with the mines and energy minister, and visited some industrial installations. We increased our mutual understanding and discussed points of common interest. The two parties agreed that there are excellent possibilities for the development of bilateral cooperation. We hope the visit will mark the beginning of excellent relations of cooperation between the two parties and for concrete results to be achieved in the

not-too-distant future. We want to thank Peruvian television friends for this opportunity to address the Peruvian people.

[Pease] There is an invitation from the PRC Government to visit the PRC and become acquainted with recent changes and reforms; my visit will last 10 days. Haya de la Torre, who accompanied me in my presidential bid and who is now an executive member of the United Left, is accompanying me. [end recording]

**Wen Jiabao Receives Peruvian Guest**

*OW1803131991 Beijing XINHUA in English*  
1300 GMT 18 Mar 91

[Text] Beijing, March 18 (XINHUA)—Wen Jiabao, alternate member of the Secretariat of the Chinese Communist Party Central Committee, met with Henry Pease, chairman of the Unified Left of Peru, and his party here this afternoon.

The Peruvian visitors are here as guests of the Association for International Understanding of China.

**Song Ping Meets Peruvian Party Leader**

*OW1503135391 Beijing XINHUA in English*  
1335 GMT 15 Mar 91

[Text] Shenzhen, March 15 (XINHUA)—Song Ping, a Political Bureau Standing Committee member of the Chinese Communist Party Central Committee, met Luis Bedoya Reyes, chairman of the Popular Christian Party of Peru, here today.

Song extended welcome to Bedoya on behalf of the CPC Central Committee. He said the visit of the guest would help enhance the traditional friendship between China and Peru.

Song said that the difference between the two parties in ideology would not be an obstacle to the friendly exchanges between them.

He said both China and Peru are developing countries and hoped they would make joint efforts for the establishment of a new international political and economic order.

Bedoya said his visit to China has increased his understanding of China.

He praised China for its achievements in the reform and opening to the outside world, saying that the Chinese people are taking the right course.

Bedoya came to visit China at the invitation of the International Liaison Department of the Chinese Communist Party's Central Committee.



## Political & Social

### NPC Standing Committee Agenda Outlined

HK2003021891 Beijing CHINA DAILY in English  
20 Mar 91 p 1

[By staff reporter Li Hong]

[Text] The Standing Committee of the National People's Congress [NPC], China's parliament, is going to speed up the drafting of a series of laws, which will govern the country's drive for "reform and opening up to the outside world."

During its current 19th session, which opened at the Great Hall of the People in Beijing yesterday, the NPC Standing Committee will deliberate a draft Standing Committee work report to the upcoming fourth plenary session of the Seventh National People's Congress, which is scheduled to open next Monday.

The draft report said that legislation on six social aspects would be reinforced. These are laws on economic control and readjustment, on scientific, technological and educational development, on protection of people's legal rights and maintenance of social stability, on improvement of the people's deputies' system, on criminal punishment, and on strengthening national defence and building-up the armed forces.

To ensure a smooth implementation of the 10-Year Development Programme and the Eighth Five-Year Plan for national economic and social development, China needs laws and regulations on planning, budgeting, banks, investments, corporations, prices, markets, labour and marine trade, the draft report said.

Legislation in China should adhere to its constitution, depend on the masses and absorb good and conducive points from foreign countries, it said.

China, from the late 1970s on, has attached great importance to drafting and promulgating national laws. Since the Third NPC session this time last year, the Standing Committee has deliberated a total of 13 draft laws and endorsed eight of them, in addition to approving four resolutions and ratifying six international conventions and diplomatic treaties.

Two draft laws on amendments to China's nine-year-old Civil Law and on the income tax for the country's foreign-funded enterprises will be sent to the fourth NPC plenary session for deliberation, the report suggested.

Apart from its emphasis on legislation, the NPC also plans to strengthen its supervision over government and judicial work.

Now a system is in place that the State Council, the Supreme People's Court and the Supreme People's Procuratorate should report their work to the Standing Committee, which usually convenes a meeting once every two months.

And in the autumn, the country's highest legislative body will hear and deliberate a report on the implementation of the country's development plan and budget for the current year.

### Wan Li Addresses Meeting Close

OW2003111191 Beijing XINHUA in English  
1049 GMT 20 Mar 91

[Text] Beijing, March 20 (XINHUA)—Wan Li, chairman of the Standing Committee of the National People's Congress (NPC) of China, said here today that he expects the upcoming NPC annual session to be highly successful.

The guidelines for the NPC's 4th session, which is scheduled to begin on Monday, are to promote political stability and economic growth, ensure the smooth implementation of the Ten-Year Program of Social and Economic Development (1991-2000), and the Eighth Five-Year Plan (1991-95).

The chairman outlined the guidelines during the closing ceremony of the NPC Standing Committee's 19th meeting.

During two days of meetings the Standing Committee discussed the draft agenda for the upcoming session, and the nominees to the session's presidium, as well as for its secretary-general.

The two draft proposals will be submitted for approval during the session's preparatory meeting.

The Standing Committee also passed, in principle, a work report from the NPC Standing Committee which its Vice-Chairman Peng Chong will submit to the NPC annual session for further deliberation.

A list of 2,125 non-voting participants nominated for the upcoming NPC session was also decided upon at today's meeting. The non-voting participants are mainly from the State Council, the Central Military Commission, the National Committee of the Chinese People's Political Consultative Conference, the supreme People's Court and the Supreme People's Procuratorate.

### Living Standards To Be Submitted

OW2003113291 Beijing XINHUA in English  
0821 GMT 20 Mar 91

["News analysis: Chinese People Confident of Prosperity"—XINHUA headline]

[Text] Beijing, March 20 (XINHUA)—The Chinese Government is working out an ambitious program to make its over 1.1 billion people well-off in the next 10 years.

Observers here believe that this goal is undoubtedly a "most tempting" promise for ordinary Chinese, most of whom have just got enough to eat and wear.

The goal has been affirmed by the State Council in the general outline of the Ten-Year (1991-2000) Program and the Eighth Five-Year (1991-95) Plan for social and economic development.

It is expected that the program will meet with general approval when it is submitted for deliberation to the nearly 3,000 deputies at the coming session of the National People's Congress (NPC), to open March 25.

According to a three-step strategy for China's modernization drive worked out by the Chinese Communist Party since 1978, the GNP figure for 1980 was to be doubled by 1990 in terms of constant prices, meaning that all the people would be able to dress warmly and eat their fill.

The second step entails quadrupling the 1980 GNP figure by the end of the century, also based on constant prices. And the people's living standards will be raised to a level considered "comfortable."

The third step envisages reaching the goal of modernization by the middle of the next century.

As a result of efforts over the past 10 years, China has officially announced that the first-step strategic objective has been achieved in most areas, and 72 percent of 65 million people who lived in poverty five years ago have managed to get enough to eat and wear.

Moreover, the per capita GNP has reached more than 800 U.S. dollars in 36 cities with a total of over 80 million residents.

Nevertheless, there are still 20 million people in China's rural areas who do not have enough to eat and wear.

The goal China has set for the 1990s is to make life even better for those who prosper now, make those who now have enough to eat and wear well-off and help poverty-stricken people get enough food and clothing.

Ordinary Chinese people, who have shown great interest in the program, are expecting a much-improved living standard with ampler means of subsistence and a more colorful cultural life.

Most Chinese are also hoping for a better social welfare and labor environment at the same time as their consumption ability is enhanced.

Some economists believe that China should achieve an annual economic growth of at least six percent in the next 10 years in order to fulfill the goal. The rate is believed higher than that of the expected average world economic growth in the same period.

The Chinese people are confident of achieving the prosperity, and they hold that life will surely improve so long as efforts can be focused on developing economy in a stable environment.

However, it is stressed that no concrete timetable should be offered for realizing these goals in every part of the country since economic development is uneven.

### **Changes in CPC Leadership, Membership Forecast**

*HK1903140691 Hong Kong KUANG CHIAO CHING in Chinese No 222, 16 Mar 91 pp 12-13*

[Article by Yen Mei-hung (0917 5019 4767): "The Top CPC Leadership Starts Considering Candidates for the 14th CPC National Congress"]

[Text]

### **Personnel Adjustments and Membership Changes in the CPC Central Committee**

The National People's Congress will be held on 25 March to lay down a major economic development plan for future years. Personnel arrangements for the top CPC leadership after this congress will be a favorite topic on everyone's lips. In 1992 the CPC Central Committee will carry out membership changes and hold its 14th National Congress. It is predicted that personnel adjustments will be carried out in central and local authorities after this autumn, and subsequently the CPC Central Committee will consider making new personnel arrangements.

### **The Top CPC Leadership Will Take on an Entirely New Look in 1992**

This is a crucial period, because in the coming years a number of elderly CPC members, including Deng Xiaoping, Chen Yun, Peng Zhen, Yang Shangkun, Wang Zhen, Nie Rongzhen, Song Renqiong, Bo Yibo, and Deng Yingchao, will leave the political arena. According to schedule, the 14th CPC National Congress in 1992 will announce the abolition of the CPC Central Committee's Advisory Commission. If nothing happens, the CPC's policymaking group will take on a new look entirely different from that in the past.

As a matter of fact, the large number of responsible persons in charge of important work and important departments selected through a series of major personnel adjustments will be favorite candidates for the new CPC Central Committee next year. In the central authorities, these people include:

### **A Number of Middle-Aged Ministerial-Level Responsible Persons To Be Elected to the Central Committee**

Agriculture Minister Liu Zhongyi (1930), aged 61.

Public Security Minister Tao Siju (1935), aged 56.

Communications Minister Wang Zhendong (1941), aged 50.

Chen Jinhua, chairman of the State Structural Reform Commission, (1930), aged 61.

Jiang Zhuping, director of the Civil Aviation Administration of China, (1937), aged 54.

Li Lanqing, minister of Foreign Economic Relations and Trade, (1932), aged 59.

In addition, Organization Minister Lu Feng (1927) and Wang Weicheng (1929), director of the Central Policy Research Office, may be on the candidate list for the CPC Central Committee although they are a little advanced in age.

Responsible persons from major military regions, including Zhang Gong of the Beijing Military Region, Zhang Taiheng of the Chengdu Military Region, and Zhu Dunfa of the Guangzhou Military Region, as well as a number of generals under the three general departments may be elected to the next CPC Central Committee (of the seven major military regions, Beijing Military Regional Commander Wang Chengbin and Shenyang Military Regional Commander Liu Jingsong are already Central Committee members).

Many provincial leaders are not Central Committee members or alternate members because of recent large-scale personnel adjustments. It is expected that there will be a strong appeal for their entry into the Central Committee during the 14th CPC National Congress.

These people include:

Zhu Rongji (alternate member of the Central Committee), secretary of the Shanghai Municipal CPC Committee and mayor; Zhou Nan, director of the Hong Kong branch of XINHUA; and Hubei Governor Guo Shuyan. These will be new Central Committee members.

Fujian Governor Jia Qinglin and Hunan Governor Chen Bangzhu will also be favorite candidates for the next Central Committee.

#### **Zou Jiahua May Be Elected as a Political Bureau Member**

Jiang Zemin, secretary of the CPC Central Committee and chairman of the Central Military Commission, will lead 14th CPC Central Committee members into a crucial decade. If nothing special happens, Li Peng, Qiao Shi, and Li Ruihuan will remain Political Bureau Standing Committee members in charge of administration, foreign affairs, judicial work, public security, discipline inspection, and propaganda. The other two Political Bureau Standing Committee members, Yao Yilin and Song Ping, are advanced in years, about 74 and 75. It has evoked attention whether they will remain on the Political Bureau Standing Committee or assume posts in the People's Congress. If Yao Yilin and Song Ping do not remain Political Bureau Standing Committee members, incumbent State Planning Commission Chairman Zou Jiahua may possibly enter the Political Bureau Standing Committee to take charge of central financial work, whereas Ye Qing will probably replace Zou Jiahua as Planning Commission chairman.

Political Bureau members aged over 70 will withdraw from the Political Bureau during the 14th CPC National Congress, to let successors take over. These include Yang

Shangkun (84), Wan Li (75), Qin Jiwei (77), and Wu Xueqian (70). On 4 September 1989, Deng Xiaoping said: "Shangkun will not withdraw this time, because it is not good to introduce a big change immediately. It is very important to stabilize the Armed Forces." The situation will be consolidated three years later and Military Commission Chairman Jiang Zemin will be able to exercise direct command over the three general departments. By then the 85-year-old Yang Shangkun should feel it appropriate to withdraw.

#### **Ding Guangen and Qian Qichen Are Successors to Work Concerning Taiwan and Foreign Affairs**

Ding Guangen, alternate member of the Political Bureau, member of the CPC Central Committee Secretariat, and minister of the United Front Work Department; and Foreign Minister Qian Qichen will become Political Bureau members. Qian Qichen's performance has been quite outstanding in the diplomatic field over the last few years. He enjoys appreciation from different countries. It is possible that he will replace Wu Xueqian in 1992 to take charge of foreign affairs. Ding Guangen may be the successor to Yang Shangkun in handling Taiwan affairs.

#### **Yang Baibing's Position Will Be More Important in the Future**

There is also a strong appeal for the entry of the 70-year-old Yang Baibing into the Political Bureau, as the principal representative from the military. As a matter of fact, he is already secretary in charge of routine military affairs in the Central Committee Secretariat. It will be a matter of course for him to replace his brother Yang Shangkun and the rarely-heard-of Defense Minister Qin Jiwei.

Moreover, Song Jian, who is in charge of the Science and Technology Commission, and several first leaders of important provinces and cities will possibly become new members of the Political Bureau in Zhongnanhai.

The coming decade is a crucial period for China. Facing a competitive new world, the CPC needs a number of capable, practical, and responsive successors with a firm stand. Therefore it is inevitable that the top CPC leadership will take on a new look during the 14th CPC National Congress in 1992.

#### **Reportage Notes CPPCC Activities, Reactions**

##### **Painter Comments on Expulsion**

HK2003011391 Hong Kong SOUTH CHINA MORNING POST in English 20 Mar 91 p 10

[By Willy Wo-lap Lam]

[Text] Two internationally known intellectuals have been expelled from China's top advisory and united-front council, the Chinese People's Political Consultative Conference [CPPCC].



Meeting in Beijing yesterday, the conference Standing Committee decided to strip painter Fan Zeng and economist Mr Qian Jiaju of all their positions in the body, including membership on the committee.

Fan, 52, who has a large following in Hong Kong, Taiwan, and Singapore, defected to France last November "to seek artistic freedom".

And Mr Qian, 81, one of China's best-known economists, left China one month before the Tiananmen Square massacre to settle in the United States.

The official New China News Agency said yesterday the two had lost their conference credentials because they had contravened the regulations of the body. No other reasons were given.

Sources said Fan had incurred the wrath of the authorities because of his highly publicised defection to France. While in Hong Kong and Paris, he has given interviews critical of certain leftist cadres and supportive of the student movement of 1989.

While Mr Qian has kept a low profile in the U.S., he has written scores of articles for Hong Kong newspapers slamming the authorities for turning back the clock on reform.

Western diplomats in Beijing said the move was surprising because it apparently contradicted efforts by the authorities to project an atmosphere of tolerance and harmony.

The annual plenary sessions of both the conference and the National People's Congress are due to open in less than a week and Beijing is hoping to turn the two meetings into a showcase of openness.

"The expulsion of Mr Qian and myself contravenes the CPPCC's goal of being the sounding board for intellectuals from various parties, social strata, and political beliefs," Fan said in Paris last night.

"Beijing's major motive is to use us as 'negative examples' to prod Chinese intellectuals into falling into line."

The painter, known as "China's Picasso" in Paris, said that instead of the rule of law, his country was run by the whims of individual leaders, who interpreted laws and regulations as they saw fit.

"I have no regrets whatsoever," he added. "I stick by my views concerning the student movement and other political issues. I am sure they will be vindicated by history."

"I shall continue to work for the prosperity of my country."

Fan said his expulsion from the conference would make it easier for him to visit Taiwan, which had insisted that he give up membership in the body before granting him a visa.

### New Members Appointed

HK2003022991 Beijing CHINA DAILY in English  
20 Mar 91 p 1

[By staff reporter Li Xing]

[Text] Ye Xuanping, governor of Guangdong Province, has become a new member of the Chinese People's Political Consultative Conference (CPPCC), China's largest consultative body to the government and the Communist Party (CPC).

Ye, 67, is now one of the few Chinese who hold dual membership in both the CPPCC and the National People's Congress (NPC), the country's law-making body.

His membership was approved, along with those of 33 other candidates, during the 13th session of the CPPCC's Standing Committee of the Seventh National Committee, held from last Saturday through yesterday in Beijing.

The other new members come from a wide range of occupations—Hu Yizhou, former director of the Civil Aviation Administration of China (CAAC); Shao Hua, late Chairman Mao Zedong's daughter-in-law and a researcher with the Military Research Institute of the People's Liberation Army; Mei Baojiu, a Peking opera actor and researcher; and He Xin, associated researcher; and He Xin, associated researcher with the Chinese Academy of Social Sciences, whose views on the country's economic and political development have aroused interest and controversy.

At the same session yesterday, the CPPCC Standing Committee members also voted unanimously to dismiss Qian Jiaju and Fan Zeng from the CPPCC's National Committee. Qian was also stripped of his membership in the Standing Committee and his post in one of the sub-committees.

Their dismissal was proposed in accordance with the CPPCC's constitution, China Daily learned from the session.

The CPPCC's constitution requires its members and constituencies to support the CPC's leadership and the socialist course.

However, since he arrived in the United States in July 1989, Qian, once a member of the Democratic League, has written a number of articles opposing the CPC's rule and the government's policies to uphold socialist principles.

Fan Zeng, an artist, also aired similar views against the CPC and socialist China upon his arrival in France in November last year.

Thus, Qian and Fan were expelled according to the Provision 28, which stipulates that disciplinary actions—including expulsion—will be taken against members who have seriously violated the CPPCC constitution, the participants at the session were told.

Meanwhile, the Standing Committee also decided that the more than 2,000 members of the CPPCC's Seventh National Committee will meet between this Saturday and April 4 for the fourth session.

During the coming annual session, the members will, among other things, listen to and discuss the programmes for national economic and social development in the next decade and the Eighth Five-Year Plan (1991-95).

### Dissident Wang Juntao's Letter to Lawyers

HK1903145991 Hong Kong CHING PAO in Chinese  
No 164, 10 Mar 91 pp 54-55

[Report: "Wang Juntao Writes a Letter to His Defense Lawyers"]

[Text] Mr. Zhang, Mr. Sun:

Actually, I should not have to defend in court things and views of the "movement" for which I am not responsible because, as you know, I did not agree with the mode of the "movement"; in fact, I find it hard to subscribe to its heterogeneous contents. When I see so many of the movement's leaders and organizers decline to take responsibility in the face of the consequences and vilify the movement, however, I am greatly saddened. Because while these representative figures may thus suffer less pains, what about the dead ones? These dead victims can no longer defend themselves in any way whatsoever. Regardless of how much I disapprove of their views and their conduct while they were alive, I am convinced that many of them gave their lives because they wanted to struggle for China and for the people, for truth, and for justice. After they have departed from this world, I can no longer stress the differences but can only respect them for their motives. They will not rest in peace as long as their living colleague do not dare defend them. To spare my deceased compatriots from such an injustice, I have decided to take the opportunity to defend their just views, views which out of political consideration at that time, I did not agree with. I know that doing so will aggravate my punishment, but this is the only way to let the dead rest in peace. Because on this land where they have shed their blood, there are still compatriots who risk life and limb to speak out courageously in the name of justice under the most difficult circumstances. In my letter to the presiding judge on Sunday (10 February), I wrote: The Chinese nation's cohesiveness is definitely not empty words from noodle-headed politicians, but comes from a strong and deep sense of respect, understanding, trust, and love among compatriots as well as from a sincere remembrance of the living for the dead—a remembrance that ignores gains and losses, merits and demerits, gratitude and grievances, and contempt and respect. I hope you two will forgive and understand me for this has definitely created more problems for your defense.

I have been very agitated these past two days and have reflected on many questions. I do not want China to carry this burden of 1989. I have told Xiaotian that one should not focus solely on one's own grievances, for in this country, a slight disturbance would cause hundreds

of thousands of families in the lower echelon of society—a place out of high society's sight—to lose their homes, go hungry, and die from ill health. This piece of land under my feet has long been overloaded. When we pursue our own justice, we should first think of the ordinary people. Even though I am only 32 years old, I have long ignored my own self when I look at things. To me, the court decision was a kind of relief and consolation to my conscience. Once again, I have a clear conscience. Of course, I still feel very ashamed when I think of the dead.

Given this circumstance, there is yet another motive for my defending views for which I should not have to be responsible for: It is that the republic's fundamental principles should be firmly safeguarded. I do not agree that the citizens' rights may be used as an excuse to lead the motherland into an extremely dangerous situation at a critical point; rather, I hope for the rational, well-meaning, legitimate, and responsible exercise of rights and privileges. On the other hand, I will definitely not tolerate, nor approve as a matter of ordinary principle, the idea that the republic reinstate the crime of vicious attack and deny a citizen's legitimate rights. Consequently, when the public prosecutor accused me of counterrevolutionary crimes in my capacity as an opposition leader, I was furious and could not limit my defense to the fact that "I do not oppose the leaders" but I had to defend the "legitimate rights of an opposition leader" (naturally, the reasons and mode of opposition should not violate the law).

My dear gentlemen, when I receive an unfair treatment, I do not worry about the system or the temporary flaws. These could be corrected in a matter of days through decisions or legislations. What I am most concerned about is the deterioration in our nation's spiritual and moral standards. Although I have my insight into the ways of the world, I was still shocked by the contents of the voluminous testimonies. I remain true to my words and I am willing to assume responsibility if certain words and deeds invited punishments; once they become honor or favors, I will return them to their true owners as they should be in history! I thank you for clarifying certain facts in the complex case. These are facts that I cannot stomach under the current situation—when I found out what these facts can bring to other people. I do not put much stock in the respect and contempt of people, but I do attach great importance on whether or not man's spirit has a lofty streak—a kind of noble and pure heart and soul. In China, even among intellectuals, this is an extreme rarity. When the political situation brings pressure, the professional conscience of an entire professional class is either ignored or becomes numbed—this is indeed unacceptable. Particularly the law—this is the most sacred and most solemn of professions, second perhaps only to religion.

Perhaps I should not blame other people, but this is not a question of personal grievances or of personal gains and losses. To my knowledge, after such a monumental movement as the one which took place in 1989, that only



a handful of people would face trial and calmly speak out the verdict of their conscience is rare in the political history of mankind. In particular, in view of the fact that the Chinese Government does not deal severely with this kind of verdict of the conscience, and the people seem not to misunderstand or scorn this kind of defense, I feel even more ashamed—ashamed for my compatriots. Neither does this conform with the tradition of our Chinese nation. On this point alone, our generation indeed cannot hold a candle to the generation of our fathers. I do not pay great attention to political dissent; political views can always change and indeed they change frequently; I value most a sincere and genuine spirit of pursuit. The rise and fall, honor and shame of a nation is more or less connected with this. Therefore, I particularly hope that the Chinese people, especially the intellectuals who dominate culture and knowledge, will be more high-minded! It is perhaps for this reason that I seem to respect the older generation—this is indeed absurd because I am facing precisely what they have laid down for me. But I must say that they in their times have a more genuine spirit of sacrifice. Naturally, they are also lacking in tolerance and goodwill.

To me, serving a sentence does not constitute a setback in life. I did not have enemies in the past (people I fought with during childhood are not enemies); I do not intend to have any in the future. I am willing to regard all, including the public prosecutors in charge of my case, as friends; provided they really believe that I am guilty; if so, I will find it easier to accept today's verdict. Because at least I am dealing with a group of honest people.

I wrote down these words in the hope of obtaining your understanding. Actually, whether it is Old Deng or Li Peng, I have not made any conclusion about this day. What I uphold are principles and what I adhere to is the conscience; I do not oppose any particular person. If I harbor any apprehension, it would be concern for this generation's spirit.

I thank you very much for your brilliant defense of me because my impulsiveness may have affected the outcome. I am sorry. Xiaotian said that she hopes the matter of appealing my case may be entrusted to you. I agree, and I trust you. Please decide on my behalf on whether or not to make an appeal and how to go about it. I do not feel well today. I suffer from dizziness and could not keep up with the pace, wasting some opportunities, notably at the final summation when I could hear practically nothing. In fact, the testimony reminded me of many incidents which could be favorable to me, and which could also do no harm to others. But I do not remember them. I held on steadfastly because I was facing the camera and could not afford to leave a bad impression—not only to myself but also to history.

I still have one excessive demand: Please help me console Xiaotian. Calm her down so that she will not stir up things or violate the law, especially not for her to be impolite to specific persons. I do not need her to help me do many things outside. She should conduct herself with

dignity. I have consistently conducted my affairs calmly and according to my conscience, divorcing myself from personal grievances; she should maintain unanimity with me. My dear gentlemen, I have no one to turn to and am obliged to make these excessive demands on you two. I am truly sorry.

I thank you once again! May you have a happy Lunar Festival! Wang Juntao 12 February 1991 P.S. Please take good care of my file. I shall be much obliged. (Note: The "Mr. Zhang and Mr. Sun" cited at the beginning of the letter refer to Wang Juntao's two defense lawyers, Zhang Enzhi and Sun Yachen.)

### Article on Role of Chinese Intellectuals

*HK1903144391 Beijing RENMIN RIBAO in Chinese 11 Mar 91 p 5*

[Article by Guo Hongzhi (6753 1347 0037), 32, lecturer of philosophy at Nanjing Monetary Technical School: "International Political Change and the Destination of Chinese Intellectuals"]

[Text] The current year is 1991 and "striding toward the 21st century" has turned from a motivating slogan into a reality. The reading of Comrade He Xin's "Conversation Record" at this point of time and a few articles run in the RENMIN RIBAO special column "Readers on the Main Global Trends" was refreshing and I feel that they appeared at the right time. I was deeply touched by the articles and the following are some of my feelings which I have to make public:

**Feeling one:** On the threshold of a new century, we should cultivate a long and broad perspective. Since the reform and opening up opened up the country's door, Western sociological analytic methods have kept pouring in. This very effort at quantitative analysis to remedy the previous mistake of concentrating on qualitative analysis produced other new mistakes: People see only statistical data and events and concentrate on comparing and analyzing phenomena, with the result of "plunging into intricacies and further confusion." Comrade He Xin's view was superior mainly because it again gives us a broad and long perspective and has a self-conscious grasp of historical law.

An overall view of the contemporary world will tell us that the ending of the Yalta system does not signify global stability and justice. Under the multipolarized situation, weak countries will more easily become prey to manipulation and harassment. The previous bipolar bargaining contest has turned into a scramble for interests by many powers, and the people of the poor countries or the poor countries themselves would suffer from more serious poverty if they did not stick together. Given this situation, there will be hope for China only if it persists on going the path of socialism with Chinese characteristics, maintains independence, and works arduously; and only then will the Chinese people live and work happily and become well-off and the world's poor people develop unchained.

**Feeling two:** Faced with the change in the international climate, with frequent different, or even conflicting, signals and the West's promotion of its capitalist values, we should grasp the most elementary principle in analysis: The principle of interests. When capitalism pursues "peaceful evolution" and vigorously preaches "freedom, democracy, and human rights," it is not motivated by a desire for the good of Chinese people but the interests of monopolistic capitalist blocs. Economics determines politics and behind ideology is social existence; the most important thing in social existence is interest relationships. A Chinese, especially an intellectual in contemporary China, whether he is trying to come terms with life or write books to establish a theory, must relate himself closely to the interests of Chinese people. This is the point of departure for all our activities. Divorced from this point, we may be easily deluded by Western goods in nice packages, or even turn naive—a kind of noble naivete—thinking that human nature is beyond everything and forgetting the chasm between the proletariat and capitalist classes; that way we may be taken in or even, consciously or unconsciously, take up a path that is against the interests of the people.

**Feeling three:** Firm patriotism requires not only a genuine understanding of Chinese history and its national situation but also close and correct rational thinking. Reading the "Conversation Record" and "Readers on the Main Global Trends" gives one a strong impression of patriotic feelings characteristic of Chinese intellectuals, and this was profoundly touching. This patriotism does not rest solely on emotional devotion; there is also a rational call of vocation. It is impossible to love China without an understanding of its national situation. Even with a correct understanding, without guidance by a correct thinking one may still inadvertently do something harmful to the country, or may even do so intentionally. Flooded by a burst of a "sentiment of doom," we lost the correct direction, went against the interests of the Chinese people and turned either emotional or reactionary. Patriotism has been a glorious tradition of Chinese intellectuals, but this tradition has often been exploited by people with ulterior motives and becomes a pretense with which they can act ostentatiously while in fact engaged in shameful acts, such as running errands for their foreign masters to show their gratitude. These people provide an example of "corrupt elites." People of extensive knowledge do not necessarily love the country more, nor can intellectuals shoulder the mission of history of their own accord. The key is to grasp the Marxist stand, viewpoints, and methods. "Conversation Record" and "Readers on the Main Global Trends" provide valuable insights in why and how intellectuals love their country.

**Feeling four:** Though an individual work, "Conversation Record" appeared at just the right time, which shows that there is some inevitability behind it. Following the opening up, various Western literary and philosophical thoughts successively dominated China and ebbed away as if on a merry-go-round; the intellectuals in the new period were too

starved to pick their food, having been caged in throughout the "Cultural Revolution" period. After they swallowed and tried hard to digest the foods—and meanwhile the climate had changed several times—the general feeling was that Western stuffs plainly did not fit into China's national situation. These may be fashionable in small circles, but as such they become one of those ivory tower vogues and are destined to be short-lived. A small number of people, instead of doubting their own theories, reacted against the reality and ended up cast away by history; however, most of the intellectuals are exploring, thinking, and looking for a new intellectual exit and the right path for China's development. The vogue for Mao Zedong is, in a way, an indication of the search that the 1989 turmoil has only intensified.

After negating their earlier negation, a considerable number of intellectuals have returned to again study assiduously Marxism and are analyzing situations and attacking new problems with it. "Conversation Record" and some of the lively articles in "Readers on the Main Global Trends" represent the results, which are inevitable, of the Chinese intellectuals' efforts to seek truth; and in a way testify that Marxism remains dynamic, and is still playing a momentous role in the new age and having the tremendous power of making the world understandable and transforming it. Put it this way, the Chinese intellectuals armed with Marxism will use their wisdom and talents to contribute tremendous material and spiritual power to the construction of socialism with Chinese characteristics.

In everything, the interests of the Chinese people will be the point of departure and Marxism the guidance: This represents the inevitable destination for intellectuals in contemporary China.

**Commentator Calls for Proper Behavior by Cadres**  
*HK2063051791 Beijing RENMIN RIBAO in Chinese*  
12 Mar 91 p 4

[Commentator's article: "Leading Cadres Should Take a Proper Position"]

[Text] How should party cadres, leading party cadres in particular, understand and put themselves in a proper position regarding major issues? Many comrades have given the correct answer through their words and deeds; however, there are some who have given a completely wrong answer or even slid to the extent of violating party discipline and state laws. The case of Wu Zhenguo serves as a typical example. We should learn a lesson from Wu Zhenguo's bribery case.

First, it is necessary to put leaders in a proper position relative to the masses of the people. Whether you are a servant or lord before the people, the choice of position is different and so is the result. With Jiao Yulu as their representative, a large number of leading cadres, who are concerned with the well-being of the masses, have regarded themselves as sons of the people and, because they gave their all till their hearts stopped beating, they enjoyed popular support. However, Wu Zhenguo

regarded the people as his slaves and unscrupulously misappropriated their property. As a result, he was cast aside by the people.

Second, it is necessary to put party members in a proper relationship with party organizations. A party member, regardless of his rank and position, is an ordinary member of a party organization. He should unconditionally abide by party discipline and accept supervision of party organizations. Only doing this will be conducive to the development of the party's cause as well as to individual progress. If the position is reversed and if a party member does not accept supervision by party organizations, or even places himself above the party organization, like Wu Zhenguo, he will sink into the quagmire of error and be unable to extricate himself. He will eventually be disqualified from party membership.

Third, it is necessary to put personal will in the proper relation to state laws. Laws are the concentrated expression of the state's will and interests. The activities of all people should be within the scope of state laws. Leading cadres particularly, should set an example in abiding by state laws and decrees. He who defies and goes beyond the bounds of state laws will, in the long run, be punished by law.

The lesson of Wu Zhenguo teaches us: To enable leading cadres to understand the proper position between servant and people, individual and organization, and citizen and state, besides correctly understanding and wielding the powers endowed by the party and people and assiduously studying Marxist theories, they should consciously accept party and mass supervision. To this end, the party organizations at all levels should further strengthen supervision, unswervingly conduct education among party members in abiding by the law and fighting corruption, and increase party members' ability to resist corruption. In this way, the broad ranks of party members, leading party cadres in particular, will be able to withstand the severe test of a ruling party, reform, and opening up, and lead the masses in pushing forward reform, opening up, and the modernization program.

### **Song Ping Inspects Guangdong, Views Reform**

*OW1903162391 Beijing XINHUA in English  
1551 GMT 19 Mar 91*

[Text] Guangzhou, March 19 (XINHUA)—Senior Chinese Communist Party leader Song Ping called on the Chinese people to sum up their experiences in carrying out its reform and open policy so as to build socialism with Chinese characteristics.

Song, a member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China, made this remark during his inspection tour of south China's Guangdong Province between March 9 and 19.

Song said that the reform aims to perfect the socialist system. The advanced technologies and management

systems of foreign countries can be introduced and integrated with the actual situation that exists in China, Song added.

Song showed great concern over the status of the province's infrastructure during his inspection of many of the province's key construction projects, including the Dayawan Bay Nuclear Power Plant, Huangtian Airport and Yantian Harbor.

He also visited the Shenzhen and Zhuhai Special Economic Zones. He emphasized that the task of the Special Economic Zones is to provide the rest of the country with reform and open policy experience. He noted that some new policies will be piloted in the zones and then spread to other areas.

Song stressed that the party's construction is very important to the present period since the commodity economy is developing quickly and contacts with foreign countries are registering significant increases.

### **Li Tieying Addresses Census Meeting**

*OW1603050391 Beijing XINHUA Domestic Service  
in Chinese 1438 GMT 15 Mar 91*

[Li Tieying's speech at national telephone conference on census summation and commendation on 15 March]

[Text] Beijing, 15 Mar (XINHUA)—Comrades: Preparatory work, screening household registers, on-the-spot registrations, and manual compilation of data in connection with the internationally heeded Fourth National Census have been completed successfully. Communications on the principal data have been successfully compiled and released, and the random compilation of 10 percent of the data has been completed ahead of schedule. These signal a decisive victory for the Fourth National Census. In the earlier stage of the census, the vast numbers of cadres of census organizations at all levels and census takers, census instructors, household registration compilers, cataloguers, clerks, computer technicians, and managing personnel in all parts of the country brilliantly accomplished various tasks by setting high standards of quality and strict demands and surmounting numerous difficulties. They have set a new record in the census history of China and the world. On behalf of the CPC Central Committee and the State Council, I now extend my warm congratulations to the provinces, autonomous regions, and municipalities that have been awarded titles of excellence for work in the national census, as well as comrades who have earned honorary titles as advanced individuals. I also offer my highest regards and cordial greetings to all the comrades who participated in and lent support to the census and contributed to its success.

Censuses cover a wide range of fields and require elaborate procedures. They are complicated social projects that can mobilize the largest numbers of people in society in times of peace. Compared to our country's past censuses and those of other countries, this census



has its salient features and difficulties. First, the census was large scale and covered many categories. Second, the time for preparation was fairly short. Third, the work involved was difficult. It can be said that the Fourth National Census was of unprecedented scale and beset by unprecedented difficulties. Under such difficult conditions, those engaged in the census, led by party committees and governments at all levels, fully exploited the superiority of the socialist system, conducted massive social mobilization, adopted scientific procedures to advance steadily the complicated social project, and managed to achieve tremendous success in this regard.

Massive social mobilization was the key factor in the census' success. Responsible comrades of governments and departments at all levels who were engaged in census-taking took the census seriously, provided concrete leadership, and effectively solved various practical problems encountered during the census. Census takers drafted from organizations, enterprises, institutions, neighborhoods, and grass-roots units in rural areas conscientiously conducted the census they had undertaken, exhibited a strong sense of responsibility and a high level of enthusiasm, paid no attention to remuneration, ignored hardship, and dedicated themselves selflessly. Some comrades even sacrificed their precious lives. People of all nationalities throughout the country were very enthusiastic about the census and took the initiative in coordinating and supporting the work of census takers. All this ensured success in the earlier stage of the census.

The census not only enabled us to obtain accurate data from on-the-spot registrations, but also to compile swiftly some principal data reflecting the basic situation of our country's population. The data satisfied the urgent needs of party and government departments at all levels and various sectors of society. Speaking from a broader and deeper strategic perspective, the census' success is far more significant than the census itself. The census' success once again attests to the powerful rallying force of our party and government, which can provide strong leadership and work effectively. It also indicates the people's tremendous affinity for the party and the government. Because the party and the government share weal and woe with the people, any kind of difficult work can be completed successfully once the party and the government issue an appeal. The success of the census once again proves that a large developing socialist country like ours should and can achieve greater, faster, and better results through economy in any matter as long as we exploit the superiority of the socialist system and conduct massive social mobilization. Moreover, it once again attests to the stupendous force of science, particularly soft science. Censuses are social projects with multiple processes and links. They cannot be conducted successfully without modernized scientific working procedures and management methods. Theories on systematics, control, and information, as well as modern management methods, such as responsibility, objective-based methods, and overall quality control systems, were applied extensively during the Fourth National Census, which generated remarkable social benefits.

While affirming and summing up the work in the earlier stage, we should note that we still have to accomplish all the tasks of the census and that the endeavors facing us are extremely difficult. We should continue to publicize the census and use the census findings to conduct further education on demographic and national conditions. At the same time, it is necessary to publicize greatly the advanced people and deeds that surfaced in the course of census-taking. We should complete proficiently the processing and publication of census data and ensure the conversion of firsthand information obtained from inquiries into applicable, high-quality demographic data. We should go all out to exploit and utilize the census data. Censuses are meant for application. Data obtained from inquiries only affords the possibility for censuses to play their social roles. Only through full exploitation and utilization can this possibility be changed into reality. All comrades, especially leading comrades, at census organizations at all levels must pay great attention to this. In the next stage of census work, leading census groups at all levels should continue to strengthen leadership and should by no means relax their efforts. They should tackle every task in the next stage as they did in making preparations and conducting registrations in the previous stage. Meanwhile, they should apply further the good experiences and procedures, such as social mobilization and scientific management, that they gained and adopted in the previous stage, to future work and enhance such experiences and procedures.

Comrades: The Seventh Plenum of the 13th CPC Central Committee set the goals of struggle and fundamental guiding principles for our country's socialist construction in the next decade. We should carry through the census work to the end, work to obtain high-quality census data, and fully enhance the important role of such data in national economic and social development. This has a direct and extremely important bearing on the implementation of the guiding principles and goals of struggle laid down by the Seventh Plenum for the next decade. Apart from having made a good start, our work has the foundation for scoring complete victory. Let us redouble our efforts, build on our victory, and work hard toward scoring complete triumph for the Fourth National Census.

#### **Change in Harbin City's Social Order Noted**

*HK1903083191 Beijing RENMIN RIBAO in Chinese  
9 Mar 91 p 3*

["Report" by reporter Wu Hao (0702 8504): "Harbin City's Social Order Noticeably Improves One Year After the '5-30 Project' Was Put into Effect"]

[Text] Social order took an obvious turn for the better in Harbin City, Heilongjiang Province last year. In the questionnaire handed out the year before last, 93 percent of the masses were not quite satisfied with social order, but in the questionnaire handed out on the same scale last year, 84.5 percent of the masses were relatively satisfied with the social order. City leaders maintained:

The obvious change in social order over the past year resulting from conscientiously implementing the "5-30 Project" and strengthening comprehensive management.

Early last year, Harbin City's public security, procuratorial, and judicial organs stipulated five objectives for comprehensive management of social order and, to realize these objectives, formulated 30 measures—namely, "the 5-30 Project." The purpose is to take about three years turning Harbin City into the best city in the country regarding social order. After one year's efforts last year, the "5-30 Project" has become known to all, including women and children. This grand "project" on comprehensive management of social order, which requires the participation of millions upon millions of people, has laid down a good foundation, just as in the construction of high-rise buildings.

With the in-depth progress of reform and opening up, Harbin City's strategic position has become increasingly important. Last year, our country held trade talks with the Soviet Union and East European countries here, with a large number of domestic and foreign businessmen gathering in Harbin. At the beginning of this year, the state held the Seventh Winter Games here, and a grand ice and snow festival, which increased the urban population's movement and made social order increasingly complicated. Under such conditions, there was no increase in crime in Harbin City last year. On the contrary, it dropped 20.6 percent over the year before last. Of these, major and particularly big criminal cases have gone down 11.5 percent. The rate of cracking criminal cases was 60.1 percent, up 5.6 percent over the previous year. Of the 14 cities enjoying separate listings in state planning across the country, Harbin City achieved the sharpest decline in criminal cases. The ratio of units enjoying "stable, relatively stable, and insufficiently stable" social order for various units of the whole city has also changed from 3:4:3 to 4:4:2, with the number of stable and relatively stable units increasing 10 percent, while that of units that are not sufficiently stable decreasing 10 percent. According to a survey conducted by the city public security organs among 174 large and medium enterprises, those with stable and relatively stable social order accounted for 92.5 percent. Of the 109 higher education institutions and scientific research units listed under city management, 90 had no criminal cases, fires, crimes, or accidents for the whole year. The success rate for mediation and handling civil disputes in the city reached 95 percent. There was a significant decrease in the number of people undergoing reform or reeducation through labor again committing crimes after being released. Fire supervision, as well as traffic control, has obviously been strengthened. An excellent situation has appeared across the city, whereby people enjoy political stability, good public order, aspire for stability, and work and live in peace and contentment.

The substance of the "5-30 Project" carried out in Harbin City was to fully arouse the masses, truly carry out all objectives and measures of comprehensive management at the grass-roots units and among the masses,

implement the principle of "whoever is in charge takes the responsibility" in social order, bring into play the socialist system's political superiority, and establish the "impregnable fortress" of the masses of the people. Last year, the city extensively set up security patrol parties; militia teams; teams to protect factories, schools, and shops; urban factory-neighborhood joint defense teams; and rural joint defense teams, forming a multilevelled, multichannelled, and omni-directional security precaution network. In social life, a strong rope made up of three strands—namely, security patrol parties, factory-street joint defense teams, and militia teams, with public security organs as the main body, came into being and, under the unified leadership of the party committee and government, carried out centralized controls over selected districts, positions, and streets, so as to create a strong deterrent and terrify criminal elements. Under such circumstances, a healthy atmosphere went up among the masses, with an obvious increase in the number of people daring to struggle with bad people and bad deeds. In the whole of last year, the masses provided 2,034 clues on violations of the law, and helped public security organs to crack 825 cases. In a most recent survey, 71.9 percent of the people expressed that, on encountering bad people and bad deeds, they had the courage to step forward and become brave citizens, thereby changing the situation of "good people being afraid of bad people," which once appeared in the past.

In the implementation of the "5-30 Project," public security departments have brought into play their role as the main force, launching at appropriate times special struggles to solve conspicuous social order problems. Last year, the whole city organized 18 concentrated and unified actions and 43 struggles in various districts and fields, sternly and speedily cracking down on various criminal offenders according to law. Particularly, in June last year, with the support of, and in coordination with, relevant departments, the public security organs smashed in one stroke three criminal rings with the nature of secret societies, thus greatly inspiring the masses of the people and causing a distinct change in the public security police's image among the masses of the people. The police-civilian relationship markedly improved.

At present, Harbin City is summing up the implementation of the "5-30 Project" in the past year and, in accordance with the spirit of the "National Work Conference on the Comprehensive Management of Social Order" convened by the CPC Central Committee Political Science and Law Commission at Yantai, is determined to bring the level of comprehensive management of social order to a higher level.

#### **Correction to Qian Jiaju, Fan Zeng Removed** *HK2003043991*

The following correction pertains to the item headlined "More on Qian Jiaju, Fan Zeng" published in the 19 March China DAILY REPORT, page 16:

Column two, make sourceline read: [Hong Kong HSIN WAN PAO in Chinese 19 Mar 91 p 1] (correcting publication name)

Paragraph one, make dateline read: [Text] Beijing, 19 Mar (HSIN WAN PAO)—According to a.... (correcting publication name in dateline)

## Military

### Work Meeting on Demobilized Officers Opens

OW1903045791 Beijing XINHUA Domestic Service  
in Chinese 0900 GMT 16 Mar 91

[By Reporter Hu Nianqiu (5170 1628 4428)]

[Text] Beijing, 16 Mar (XINHUA)—At the opening of the national work meeting on placement of demobilized Army officers today, Zhao Dongwan, head of the State Council Work Group for Placement of Demobilized Army Officers and minister of personnel, said: Regarding this year's work on the placement of demobilized Army officers, we must continue to implement the guiding ideology of rendering service to assure stability in the Army and peace and unity in society, make serious efforts to execute current policies and provisions, and soundly carry out every task.

This meeting will study and shape this year's plan for the placement of demobilized officers. Responsible comrades from the relevant ministries and commissions of central and state organs, provincial, municipal, and autonomous regional departments in charge of personnel and placement of demobilized Army officers, and relevant departments of the armed services attended the meeting.

According to sources, the State Council and Central Military Commission have approved the demobilization of over 32,000 officers from the People's Liberation Army [PLA] and Armed Police Force for placement in localities this year. More than half either hold positions in Army divisions or possess special skills. The guiding ideology, policies, and focal point of placement work will remain unchanged.

In his address, Zhao Dongwan called on departments in charge of personnel and placement of demobilized Army officers at all levels to understand, from a strategic angle, the political significance of doing placement work well. He said: In this regard, they must take viable and effective measures to guide demobilized officers to the grass roots, enterprises, and to where they are most needed. All units receiving demobilized officers must provide them with a good working environment and living conditions. This year, they must pay additional attention to the arrangement of duties, political treatment, and remuneration for demobilized officers from Army divisions. Localities and departments that have yet to make their stipulations clear must draw up the specific provisions, as soon as possible, in accordance with reality. On the issue of housing for demobilized

officers, they must adhere to the principle of localities assuming responsibility and the state providing financial assistance. They must insure that demobilized officers and their families have a place to live when they move to localities. They must properly handle the issues of position, appointment, and remuneration of demobilized officers with special skills, in accordance with the relevant state policies and provisions governing the appraisal and appointment of cadres with such skills.

Zhou Wenyan, deputy director of the PLA General Political Department, spoke at the meeting. He said: We must meticulously carry out ideological education and other organizational work involving demobilized officers. We must educate them to put the interests of the party and the people first and to make allowance for difficulties confronting the state. We must tighten control over demobilized officers and strictly enforce the rules and regulations so that they will arrive on time at their new posts and this year's placement work will be successfully accomplished.

### Resettlement of Former Military Personnel Urged

HK2003022791 Beijing CHINA DAILY in English  
20 Mar 91 p 3

[By staff reporter Li Hong]

[Text] Ministries and local administrations are being urged to work out programmes to ensure the smooth resettlement of the more than 30,000 soldiers and armed police officers who are to be demobilized and return to civilian life this year, according to the Ministry of Personnel.

A joint circular issued recently by the State Council and the Central Military Commission asked local departments to co-operate with army units to provide appropriate housing for discharged PLA [People's Liberation Army] officers and their families.

Personnel Ministry officials have suggested that officers at division and regimental commander levels be transferred to civilian posts in charge of people's ideological work, while others be sent to grassroots enterprises.

Ex-servicemen were also encouraged to go to remote and economically underdeveloped areas, or old revolutionary bases, to help local residents in the areas eliminate poverty, an official from the ministry said.

The official told CHINA DAILY that the bulk of demobilized officers also needed professional training programmes lasting at least six months to prepare them for the test they would be given by potential employers.

The task of finding positions for the demobilized officers would be made more difficult by the drive to trim levels of administrative staff which had cut the number of job vacancies.

The official said the country's year-by-year plan to demobilize officers, which was described by the State circular as "an important political task," had been held



back by the inability of large and medium-sized cities to resettle them quickly in the face of acute housing and fund shortages.

Through close co-operation between military authorities and local governments, the country resettled 32,000 or so army and armed police officers last year, in addition to 16,000 of their family members.

The 2,500 former division heads and regimental commanders had been given priority in replacement, according to the official.

China's current military regulations stipulate that division and regimental commanders should end active service at the age of 50 and 45 respectively.

The country's usual practice requires the majority of discharged military officers to return to the areas from which they were recruited.

Outstanding records for military conduct and prominent merit citations, however, can help veteran officers get better jobs and housing in large and medium-sized cities.

#### **Chi Haotian Stresses National Defense Education**

*OW1503124291 Beijing XINHUA Domestic Service  
in Chinese 1113 GMT 14 Mar 91*

[By reporter Hu Nianqiu (5170 1628 4428) and correspondent Zhang Dongwen (1728 2639 2429)]

[Text] Beijing, 14 Mar (XINHUA)—Chief of General Staff Chi Haotian said: Conducting education on national defense, enhancing the sense of national defense, and promoting patriotism and revolutionary heroism constitute indispensable basic education for the populace, an important component of spiritual civilization, and a long-term task in ideological and political work in society.

Chi Haotian expounded the status, role, substance, purposes, and methods of national defense education in an interview with reporters today.

Chi Haotian said: Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, said that "it is all the more necessary to publicize the significance of national defense construction, conquer ideological laxity in times of peace, and enhance the public's sense of national defense during peacetime construction." The Seventh Plenum of the 13th CPC Central Committee stressed the need to boost defense modernization, promote national defense education, and enhance the entire population's sense of national defense in the course of economic development. Our central task calls for focusing on economic development; however, building and defending the motherland is necessary for dialectical unity. History shows that a state or a nation will be in extreme jeopardy if it does not have a strong sense of national defense. The international situation will grow more turbulent as the world evolves into a multipolar

structure. The Gulf War indicates once again that the world is not very peaceful. Instead of weakening our sense of national defense, we should enhance it.

Chi Haotian said: The sense of national defense aroused by relevant education and the resultant benefits to the state are more powerful than any rallying and patriotic force. They provide our country with a spiritual pillar in building the two civilizations, intensifying reform and opening efforts, and stimulating the economy. The sense of national defense primarily consists of concepts that place national interests above everything else and call for maintaining vigilance in times of peace, cherishing the army, practicing military skills, promoting the nation's prosperity, and building up military power. Inspiring patriotism is the top goal of national defense education. Under the current situation, it is necessary to accomplish the "three linkages" by integrating the task of arousing patriotism with education on the four cardinal principles whose central theme is to uphold the socialist faith, with the struggle against corruption and infiltration, and with activities aimed at building a spiritual civilization and learning from Lei Feng. He said: Conducting education on national defense will have a great impact on arousing the nationalist spirit because it will ignite the people's patriotic sentiment and dedication to the country and encourage them to give top priority to the party's cause, the state, and national interests and to show concern and support for national defense construction.

Chi Haotian said: Young people are the motherland's future builders and defenders. Focusing our national defense education on them has a tremendous strategic significance in this new historical period. It will contribute to the overall ideological and psychological development of young people, inspire them to make contributions to their motherland and fellow people, help them nurture a collectivist spirit, enhance their moral concepts, teach them about the sense of organizational discipline, and help them foster a spirit of self-reliance and summon the courage to combat difficulties. Chi Haotian said: National defense education generally consists of four parts—enhancing the sense of national defense, nurturing a defense spirit, acquiring defense knowledge, and practicing defense skills. At present, it is essential to conduct various forms of national defense education, such as regular education in school, military drills, "military academies for youth," and regular national defense education for the entire populace through the mass media such as newspapers, publications, and radio and television stations.

#### **JIEFANGJUN BAO on Exemplary Soldier**

*HK2003090391 Beijing JIEFANGJUN BAO in Chinese  
4 Mar 91 pp 1, 2*

[Report by Cheng Tongyi (4453 4547 0001), staff correspondent Zhou Tao (0719 3447), and special correspondent Zhu Zhengping (2612 3630 1627): "A Soldier Loyal to the Republic: Notes on Zhang Qi, a Pacesetter in the

Campaign Encouraging People To Imitate Lei Feng at Their Posts as Conducted by Nanjing Military Region"]

[Excerpts] It has never happened in the First-Grade Meritorious Regiment, which has aided the construction of the Mafu Tunnel, nor in any group army, that everyone, regardless of rank, strongly prides himself in an ordinary soldier who is still in service.

The Nanjing Military Region's Organization Department Working Team went to enquire about the matter. Warriors in the company gave praise to the Working Team in unison: "Perhaps Zhang Qi's merits exist in every one of us separately. How many guys have you found that have so many merits in themselves alone!"

After examining the material regarding Zhang Qi's deeds, the Group Army's Political Department Director, He, decided: "Hold a special report meeting for this soldier. The meeting theme is—How Shall We Learn and Practice Lei Feng's Spirit at Our Posts?"

Zhang Qi has served as a soldier for four years and has just turned 21. He has never been on the battlefield nor has he participated in rescues in serious disasters. The television frame will no longer be distorted after he has stood in the ranks for 100 days with his O-shaped legs bound with backpack straps—Zhang Qi, a warrior of the Lei Feng type? [sentence as published]-

A book, "Zhang Qi As We Know Him," compiled by 68 officers and men from the company was placed before us.

A loyal warrior of the republic who is following in Lei Feng's footsteps was coming toward us.

**With the Great Willpower of a Young Man, One Never Complains of Any Difficulty—a Soldier's Willpower I: Why "risk his life" like this?**

Zhang Qi, leader of the Fourth Squad of the Fifth Company, comes from Mengzhuang Village, Tongshan County, Jiangsu Province. He was the youngest in the company when he joined the Army. Nevertheless, 11 months later he became squad leader, and 16 months afterwards he joined the CPC. Of all comrades-in-arms, he "is the first to get his promotion on every occasion."

As a warrior, he is appraised as an "outstanding soldier." As a squad leader, he is named the "pacesetter leader." Under his leadership, his squad has been appraised as the advanced squad six times. For the past four years, in military examinations conducted by his superiors, he has scored the highest marks in 36 subjects. And in the examination of 20 subjects on the Army and politics, he got an "A" in all of them.

Zhang Qi is generally okay physically. In order to make himself a qualified soldier, he worked "specially hard at everything." As for stamina training, the company requires everyone to do 100 pushups, pullups, and situps each, in addition to three other similar exercises. He asks for additional dumb bells for the chest exercise. He pushes the bricks 100 times. As for grenade throwing,

everyone is required to throw 100 grenades, but he throws 150 without stop. As for shooting, he hangs eight grenades in his rifle handle and takes the shooting exercise with short breaks after 40 minutes. Fully armed, he fastens two additional sandbags onto his legs for the cross-country exercise.

Someone asked Zhang Qi: "What do you expect by risking your life like this? It is okay for you to learn what is expected of you. Zhang Qi answered: "It is not okay to just learn what is expected because the enemy also has guns and bullets. If you are always satisfied with just qualifying, how can you defend the motherland?" [passage omitted]

**6: Acting on one's own initiative is something precious.**

The company arranged for mechanical and hurdle exercises. Company head Yang Li told the first two platoons to take the hurdle exercise first and demanded that everyone do the exercise 10 times in one hour and then do the mechanical exercise. Since the training field was small and crowded, the two platoons could not finish the hurdle exercise within the fixed time. Zhang Qi, who had just finished the exercise seven times, permitted the warriors in his squad to continue the hurdle exercise. He did not change the training until all had finished the fixed number of times for a particular exercise. Later, he frankly told a squad leader: "As soldiers, we train as an obligation and we base our responsibility on our initiative. It seems that it does not matter if we do the exercise one more time or just skip it. But if it becomes a habit, it really matters." [passage omitted]

**12: "A soldier acting like an instructor."**

For three years as a squad leader, Zhang Qi has read more than a dozen books on the giving of military commands and instructions, such as "military staffing," "military geology," and the "basics of tactics." He has accumulated over 400 cards about military theories. He always leads the whole squad in taking the sand table exercise in the training field and works out combat plans. When people ask him: "You are not an instructor, why...?" He replied: "Although I am not an instructor, I should explore how to train soldiers from the military instruction point of view so that they will become tougher and better." He also gives lectures on "position-changing" maneuvers for the squad. Through these activities, everyone can be a squad leader or combat leader and is appraised as an expert marksman or grenade thrower.

At present, Zhang Qi's squad is also responsible for giving demonstrations for seven infantry groups. During the past three years, as squad leader, he has given training demonstrations for cadres a total of 47 times, and thus is called "a soldier acting like an instructor." [passage omitted]

**His Ideals Never Change—the Spiritual Pillar of Soldiers 14. Aspirations hidden in a photo album.**

Life cannot be separated from signposts.



Among the three drawers of scrapbooks and notebooks, these reporters saw a photo album entitled "Glorious Models" that had photos of three generations of leaders, namely Mao Zedong, Deng Xiaoping, and Jiang Zemin, and photos of the 1987 People's Liberation Army Heroic Models Meeting. Way down was a photo of Lei Feng, and right above the photo were eight characters written with a fountain pen: "Lei Feng—Model for My Deeds." Photos of Shi Guangzhu, Li Ruihu, Zhang Zixiang, and Shang Zixi were also in the album, which contained 68 photos in all.

Zeng Liang, division party organization department head who came along with these reporters, said in an excited manner when he saw the photos: "A few years ago, some young people made it a fad to place book-marks with the phrase "Would Rather Be Muddle-headed" underneath their writing desks or in their notebooks. But Zhang Qi never does that. We can say that, in his job and daily life, he is following in the footsteps of heroes. He has remained the same throughout his military service."

#### 15: Mao Zedong's works in his satchel.

The unit was conducting wilderness camp and field training. Before they set out, the soldiers had their combat equipment checked. A copy of "Selected Works of Mao Zedong" was found in Zhang Qi's satchel. The instructor asked him: "Do you still have time to read during field training?" Zhang Qi replied: "When the unit is moving, nobody has time. But when the unit has pitched camp, I always have time." When the instructor found that what Zhang Qi said made sense, he praised him before the entire company. Afterwards, he demanded that every officer and man carry a book by Mao Zedong in his satchel.

Over the past four years, Zhang Qi has insisted on taking notes when reading. He also has made 10 volumes of newspaper and magazine clippings for learning material. In 1990, he acted as a counselor on five occasions for the company and his platoon.

The company's cadres agreed unanimously: "Zhang Qi only has two pastimes for his after-work time. One is busying himself trying to understand other warriors. The other is enjoying reading his books. [passage omitted]"

#### Commentator Praises 'Loyal Warrior'

HK2003094391 Beijing JIEFANGJUN BAO  
in Chinese 4 Mar 91 p 1

[Commentator's article: "Be This Type of Soldier"]

[Text] The Great Wall was made of tens of thousands of quality bricks. The main body of the People's Liberation Army [PLA] is made up of tens of thousands of good soldiers who have lofty ideals, morals, and good education and observe discipline. In the PLA's glorious history, countless heroes have emerged: Zhang Side, Dong Cunrui, Huang Jiguang, Ouyang Hai, Lei Feng.... They

are as bright as the stars, and with their blood and youth they have won glory for our party and republic, and honor for the Chinese people.

Today, Zhang Qi, another ordinary soldier, is following in the footsteps of Lei Feng and other heroes and advancing towards the ranks of outstanding soldiers. Zhang Qi's struggle in life is as a soldier, which is most common. He has done no great deeds but, nevertheless, he loyally discharges his duties as a soldier whose sincerity is for the party and people. With his own exemplary deeds, he has shaped the image of the new generation of exemplary soldiers.

He is a soldier with lofty ideals and pursuits. Zhang Qi can score extraordinary achievements in his ordinary post because he has lofty ideals and pursuits. He has stored in his heart the PLA's objective, conscientiously studies books on Marxism-Leninism and Mao Zedong's works, trains himself on his own initiative, and improves and perfects himself. With the greatest efforts, he carries out a soldier's duties. And, exactly because of these ideals and pursuits, he does every job carefully with a lofty sense of mission and a sense of responsibility, thus making a soldier's post shine brightly. He has linked all of a soldier's jobs, such as political studies, military training, sentry duty, and helping comrades-in-arms, with the security of the republic and the peace and well-being of the people. He does well in all of them.

He is a soldier that sets high standards and stresses "seriousness." Zhang Qi has affixed photos of Lei Feng and 67 other heroes in his photo album while storing them in his heart and has made them the models for his life's pursuits. In action, he sets high standards for everything and is serious in carrying the action out. He makes every effort to enable himself to possess all of a qualified warrior's qualities. Although living in a military camp appears simple, dull, and monotonous, he does excellently at his post. And exactly for this reason, he has become a good warrior that is politically qualified, has mastery of military skills, possesses a fine workstyle, and strictly observes discipline.

He is a soldier that stresses unity and style. A soldier's glory and strength come from a united combat collective which consists of tens of thousands of soldiers. Like Lei Feng, Zhang Qi cares for others more than himself. He sincerely and enthusiastically helps his comrades-in-arms grow and progress and helps them solve their problems. Previously, his application for admission to a military academy was turned down. He did not feel sorry about it. When his comrade-in-arms got admitted, he felt happy in his heart. And exactly because of these virtues and qualities, he is able to rally his comrades-in-arms around him as if they were one man; and, in this way, they work together to finish every task entrusted to them by the party.

As a soldier, one should be like Zhang Qi, a loyal warrior of the republic in modern times!

**JIEFANGJUN BAO on Weapons of Future**

*HK2003095791 Beijing JIEFANGJUN BAO in Chinese  
1 Mar 91 p 3*

[Article by Ge Shu (5514 3412) and Yang Lizhong (2799 4539 1813): "New Mechanist Weapons and the War of the Future"]

[Text] The rapid mass growth of military high technology, such as lasers, infrared, microelectronics, artificial intelligence, superconductor technology, new materials, aeronautics, and biological engineering, in the world today has opened a broad vista for the research and development of high-performance weapons systems. Application of high technology in the military field not only provides for continuing perfection of existing weapons systems, but also promotes the development of new and more powerful systems and spurs the renewal of weapons and installations.

Developed countries, like the United States and the Soviet Union, began research on weapons with new mechanisms [ji li 2623 3810] in the 1960's. Entering the 1980's, weapons based on the broad application of high technology have been gradually perfected, their categories expanded and their performance sharpened, becoming important objects coveted by all countries.

At present, the weapons with new mechanisms being developed fall primarily in four major categories:

**Direction-finding weapons.** For many years now, international military scientists have yearned for the research and development of a weapons system that has highly concentrated energy and that can hit its target rapidly and accurately. Direction-finding weapons, gradually developed over the past 20 years, including high energy laser, particle beam, plasma beam, and intense microwave radio frequency weapons, are a completely new kind of weapons system that use high energy to hit, kill, and destroy their targets. Their greatest feature is the speed of their firing power, which matches or approaches the speed of light (300,000 km per second), and their extremely high accuracy, allowing them to destroy within split seconds targets several hundred or even several thousand kilometers away. With their enormous power and development potential, they constitute the principal component of spatial weapons systems. In 1983, the U.S. Joint Chiefs of Staff, in a report on the military situation, said: "The impact of laser technology on military affairs may be second only to that of microelectronics." Soviet Air Force General Baitokov said: "The revolutionary change brought about by lasers in science and technology is as significant as that of the semiconductor." Agustin [name as published], chairman of the U.S. national defense science and technology commission, also remarked: "Intense laser technology is important because it has the potential to make a genuine breakthrough in military capability." Today, laser technology is becoming more polished. In the arsenal of strategic laser weapons, high energy transmitters, which can be positioned in the sky, have output power of

several hundred to several thousand kilowatts and are a major weapon system which can be used to counter strategic missiles and kill satellites in a future space war.

The United States has plans to deploy 100 laser transmission platforms in a low orbit in the 1990's. Each platform can destroy dozens of missiles. In 1980, the Soviet Union also had a kind of land-based laser weapons system that could annihilate low-orbiting satellites. In recent years, it has been experimenting on a laser weapons system that can hit high-orbiting satellites.

Tactical laser weapons are used mostly in the antiair domain and in antitank operations. Since the 1970's, the United States has conducted successful experiments using laser guns to shoot down antitank missiles, air-to-air missiles, helicopters, and surface-to-surface medium-range missiles. The Soviet Union has not only carried out the same experiments, but has also begun to equip its antiair system with laser weapons and is expected to take the lead in deploying airborne laser weapons in the early 1990's.

The application of strategic and tactical laser weapons will produce a monumental impact on the weapons structure, strategies, tactics, and the military situation in a future war. Some people have predicted that entry into the "intense laser club" will be like entry into the "nuclear club" and the "aerospace club" and become one of the principal symbols of major power status.

In addition, the research, development, and experimentation of particle beam weapons, plasma beam weapons, and high-powered microwave radio frequency weapons are also being stepped up and may be deployed and used in the 1990's.

**Kinetic energy weapons.** These are weapons systems that carry out interception through conventional explosion or direct impact methods and include nonnuclear intercept missiles, electromagnetic orbital guns, antisatellite missiles, small search-and-intercept missiles, space mines, and "smart pebbles" killer bombs. The United States is the first country to develop kinetic energy weapons and some of its projects now include antimissile weapons systems which are the most polished and the most likely to be deployed first in the "star wars" plan.

On 10 June 1984, in the skies 185 km above the South Pacific island of Kwajalein Atoll, the U.S. Army used a nonnuclear intercept missile flying at a high speed of nearly 6,080 meters per second to kill by direct impact a simulated "Minuteman-1" missile launched from Vandenberg Air Base in California. It was learned that this type of intercept missile can carry dozens of warheads, each of which is capable of destroying a single target; this greatly increases the antimissile system's efficiency/cost ratio.

The electromagnetic orbital gun is a weapons system that accelerates the missile head to supersonic speed and relies on the missile head's kinetic energy to destroy a target. Its successful development was a major revolution in conventional artillery. It can be used not only as a sky-based antiair

missile system, but also in a land-based tactical defense system. It may also be used as an air defense weapon for naval fleets and vessels. Because electromagnetic shells possess formidable penetrating power, they are extremely effective as an antiarmor weapon.

At present, countries like the United States, Britain, Germany, Israel, and Australia have focused research efforts on electromagnetic shells for tanks as they plan to use them to counter the new generation of combat tanks which will emerge by the end of this century and in the next century.

**Artificial intelligence weapons.** Artificial intelligence is a discipline encompassed by many other disciplines, including computer science, engineering, mathematics, physiology, and psychology. In the military field, artificial intelligence ordinarily covers expert systems, natural language perception systems, emergency warning systems, planned management systems, and artificial intelligence robots. The United States has conducted extensive research in this area and has already developed automatic war trucks, driver's assistants, shell loaders, and automatic minesweepers. The AWACS automatic control system, after processing data from actual battle situations, could promptly present 15 battle plans for the commanders' selection. Today, U.S. forces have more than 100 battle duties discharged by robots on the battlefields, including robot-driven tanks and aircraft.

In addition, owing to improvement in the level of automation, precision-guided weapons, known as the "star of future weaponry," are also being developed extensively and could have a very vital role to play in future warfare. Some people have predicted that artificial intelligence robots could become a supplementary source of military strength in the 21st century.

**Biological weapons.** Biological technology is a high technology which emerged in the 1970's and has vast potential for military applications. It is a novel technology which came after electronic technology. Its nucleus is genetic engineering; hence, it is also known as "gene technology." It was learned that some countries have made enormous strides in this area, having the capability to extract partial ribonucleic acid from a certain virus and merging it with deoxyribonucleic acid from another kind of virus to form a new kind of super virus. This super virus is not only highly contagious and deadly, but also has incredible powers of adaptability and reproduction. The use of this gene weapon in battle could rapidly cause a devastating epidemic in the enemy country. According to scientists, 20 grams of a peculiar toxic substance known as "hot toxin" is enough to kill more than five billion people around the world in one day. Others have calculated that spending \$50 million to construct an arsenal of gene weapons is more cost-effective than spending \$5 billion to build an arsenal of nuclear weapons. If a super hemorrhagic-fever-inducing gene weapon were injected into the other side's water system, residents along an entire delta area could lose their reproductive ability, not to mention their lives.

This is more lethal than nuclear bombs and is therefore also known as an "end-of-the-world weapon."

According to foreign wire reports, U.S. forces from 1971 to 1977 spent more than \$10 million annually for the research and development of biological weapons. It also set up a special commission to take part in research and development work. The Soviet Army also has a minimum of seven biological warfare research centers.

The emergence of weapons with new mechanisms is the natural outcome of developments in the new technological revolution. The 21st century promises to see the massive entry of weapons with new mechanisms onto the battlefield. Historical logic indicates that weapons with new mechanisms will gradually replace the existing "traditional" weaponry, just as cold weapons were replaced by thermal weapons and primitive artillery by modern artillery. This cruel fact has already been demonstrated in the Gulf war.

The broad application of technology of weapons with new mechanisms in the military field will provide a fundamental boost to the strengthening of the "brains" and "central nervous" functions of strategic defensive, tactical defensive, and offensive weapons systems. The organic integration of these new weapons, new strategies, and new tactics will bring about unexpected military benefits.

The United States, Soviet Union, and other countries attach great importance to applying these new technological outcomes on conventional warfare first. They will gradually equip their conventional forces with laser weapons, electromagnetic orbital shells, infrared locators, optical monitoring facilities, and precision-guided weapons. These will no doubt enhance the conventional forces' ability to hit a tank company from a long distance, improve their ability to defend against low air attacks, and help to raid a target deep behind enemy lines.

In the early 21st century, the extensive deployment of weapons with new mechanisms in the strategic defense system will naturally become an indispensable and important means to ensure a big power's status, enhance strategic deterrent power, and protect one's own security.

Engels once pointed out: "Technological progress...almost forcibly...brings about change and even a revolution in the waging of wars." He also said: "An army's entire organization and combat methods...are determined by material, and therefore economic, conditions." Because of the appearance of weapons with new mechanisms, the patterns of future wars and the scope of the battlefields will undergo tremendous changes. Aside from ground, air, and naval forces, besides an electromagnetic battlefield, "space war" and "space armies" will also emerge.

Strategically speaking, along with the competition involved in weapons with new mechanisms, future military high technology will definitely evolve into a new stage characterized by a higher level of a "contest of wisdom and strategies," spurring a rapid growth in



military and technological forces and pushing forward high technology's coordinated development. And these high technologies will certainly shift into civilian technology to form a military-civilian "dual product" which will boost the entire national economy. Hence, they should be accorded proper emphasis.

The development of weapons with new mechanisms is as inevitable as it is an objective law. Of course, the weapons with new mechanisms cannot immediately replace traditional weapons and will have to undergo the process of "integration-drive-substitution." The research and development of high technology weapons has a long cycle and it is necessary to make early decisions and seize the time in order not to lose the initiative.

#### **Guangzhou Region Holds Defense-Related Meeting**

*HK1103113391 Changsha Hunan Provincial Service in Mandarin 2300 GMT 6 Mar 91*

[Text] The Guangzhou Military Region People's Air Defense Committee held its third session in Changsha yesterday. Lieutenant General Zhu Dunfa, commander of the military region; Major General Li Xinliang, deputy commander of the military region; and Major General (Wei Tuoling), chairman of the People's Air Defense Office under the State Council attended.

Xiong Qingquan, secretary of Hunan Provincial CPC Committee, and Xia Zanzhong, member of the provincial party committee Standing Committee and secretary of Changsha City CPC Committee made welcoming speeches.

Items high on the agenda were: Summarizing the work done by the Guangzhou Military Region People's Air Defense Committee during the Seventh Five-Year Plan, studying and arranging the tasks for improving people's air defense against war for the Eighth Five-Year Plan, approving after discussion the stipulations with respect to implementing the state policies and statutes on civilian air defense which were jointly issued by Guangzhou Military Region and the five provincial and regional People's Governments in the Central-South Region, and commending advanced collectives and individuals who have acquitted themselves well in the civilian air defense work.

The meeting is designed to push forward the region-wide civilian air defense work at an early date through summarizing and exchanging the related experience.

At the opening ceremony, Li Xinliang, deputy commander of the Guangzhou Military Region, gave a speech.

In his work report, (Song Wenjiang), Guangzhou Military Region deputy chief of staff, said: Over the last five years, the four provinces and one autonomous region in the Central-South Region have overfulfilled the plan for building air defense projects for civilian use by 1 percent and the plan for reinforcing and transforming the existing air defense projects by 53 percent, built many key air defense projects and air-raid cellars, which are

applicable in peacetime and in war, and greatly raised the utilization rate of air defense works with Hunan alone having brought the utilization rate to 39.9 percent. The output value and turnover created by using the defense works has increased from 200 million yuan in the Sixth Five-Year Plan to 400 million yuan and the profit and net income has increased from 25 million yuan to 48 million yuan. We have the management of the related communication and warning systems improved and rationalized, the means of the systems augmented, their capabilities expanded, and their overall driving and protection powers [tui jin bao zhang neng li 2236 6651 0202 7140 5174 0500] constantly increased.

Attending the meeting were Cheng Kejie, chairman of the Guangxi Zhuang Autonomous Regional People's Government; Hunan Vice Governor Wang Xiaofeng; Guangdong Vice Governor Zhang Gaoli; Hubei Vice Governor Li Daqiang; (Sun Lijun), deputy secretary general of the Hainan Provincial People's Government; leaders of Guangzhou Military Region Headquarters, Political Department, Air Force, and Nanhai [South China] Sea Fleet; commanders of the five provincial and regional military commands; and chairmen of the five provincial and regional People's Air Defense Offices. There were altogether about 120 participants.

#### **Air Defense, Wartime Preparedness Reported**

*SK1803071791 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 15 Mar 91*

[Text] During the Seventh Five-Year Plan period, the region's departments in charge of the people's air defense and wartime preparedness made great efforts to gear themselves to the new situation in which the guiding ideology and strategy for the building up of national defense was shifted, constantly deepened reform, persisted in the principle of combining the peacetime needs with wartime preparedness, comprehensively conducted the three-item projects of wartime preparedness, and thus scored noticeable results in preparations against war, the economy, and the society.

At the regional meeting on the people's air defense and wartime preparedness, which ended on 15 March, commendation was given to a number of advanced units and individuals that scored noticeable results in the people's air defense and wartime preparedness.

During the past five years, proceeding from the overall situation of submitting to and facilitating the national economic construction, the region's departments in charge of the people's air defense and wartime preparedness constantly intensified the sense of reform, imported reform mechanism, and, under the guidance of the principle of combining the peacetime needs with wartime preparedness, opened to the society the facilities and installations used for the people's air defense and wartime preparedness, in order to give full play to the advantages of these facilities and installations. At the same time, these departments utilized the vacant and surplus ground and space of the people's air defense facilities, the facilities for wartime preparedness,



and surplus human resources to run, on a trial basis, a number of people's air-defense economic entities where production, development, management, and service were well coordinated, which engaged in free management, and which assumed sole responsibility for their own profits or losses. As a result, the utilization rate of the people's air-defense facilities reached 30 percent, and more than 10 million yuan of profits and taxes were realized.

The traffic facilities used for wartime preparedness gave an impetus to the implementation of other work, with the regularization of the Army as the focus. In particular, traffic departments, transportation companies, and highway stations organically combined enterprise management with the traffic facilities earmarked for wartime preparedness; and realized double-input, double-promotion, and double-development, thus yielding comprehensive efficiency. In the field of supporting the front and building the rear, the peacetime needs were combined with wartime preparedness in an all-around manner, and extremely remarkable results were achieved in the wartime preparedness, the economy, and the society. The quality rate of projects in this field reached 75 percent. As a result, the people's air-defense construction changed from a conservative and close type and a consumption type, which only consumes input but has not created output in the past, to a type of opening to every side and a value-adding type, which not only consumes input but also creates output. At the same time, we gradually established a new-type mechanism of using the people's air-defense facilities to build the people's air defense, and strengthened the vigor and practical strength of the people's air defense.

At the regional meeting on the people's air defense and wartime preparedness which was held from 12 to 15 March, the participants conscientiously summarized the experiences gained from the work of the people's air defense and wartime preparedness during the Seventh Five-Year Plan period and put forward the general guiding ideology for the three-item wartime preparedness work during the Eight Five-Year Plan period. This general guiding ideology is: Conscientiously implement the construction principle for the people's air defense and wartime preparedness during the new stage; vigorously grasp key points and solve difficult points by proceeding from the region's reality, with economic rectification and in-depth reform as the motive power, and with organizational construction as the guidance; depend on science and technology and the talented people to vigorously develop the combination of peacetime needs with wartime preparedness and to enhance the overall efficiency; constantly enhance the ability of self-development; strive to raise the region's construction of the people's air defense and wartime preparedness to a new level; and make new contributions to invigorating the region and making the people affluent. The meeting also made arrangements and plans for future work.

### **Liu Jingsong Inspects Army Units in Jilin**

*SK1403024291 Changchun Jilin Provincial Service in Mandarin 2200 GMT 13 Mar 91*

[Text] On 8-11 March, Lieutenant General Liu Jingsong, commander of the Shenyang Military region, accompanied by Du Qinglin, deputy secretary of the provincial party committee, and Major General (Zhang Yunkun), deputy political commissar of the provincial military district, inspected the work of our provincial army units and the militia reserve force.

In Baicheng Prefecture, Liu Jingsong acquired detailed knowledge of the work, training and living conditions of the officers and men of the reserve force in Baicheng Prefecture, visited the production experts among the militiamen and the scientific and technical demonstration pace-setters, and extended warm regards to officers and men who participated in combating floods and dealing with emergencies, improving the sandy land through afforestation, and salvaging grains in case of emergency.

On 11 March, after listening to a work briefing given by Major General Yu Zonghuan, secretary of the party committee of the provincial military district and political commissar, Liu Jingsong fully affirmed the provincial achievements in militia and reserve service work. At the same time, he expressed hope that commanders and fighters of the provincial military district and officers and men of the reserve force would actively cooperate with the local governments to fulfill the urgent, difficult, dangerous and heavy tasks and make new contributions in invigorating Jilin.

### **Economic & Agricultural**

#### **Guangdong's Lin Ruo on Commodity Economy**

*HK1903070191 Guangzhou NANFANG RIBAO in Chinese 11 Mar 91 p 3*

[Article by Lin Ruo (2651 5387): "Several Points of Understanding on Developing the Socialist Commodity Economy"—NANFANG RIBAO editor's note advises: "This article is published the same day as publication in RENMIN RIBAO. It has been revised and added to by the author before publication." The RENMIN RIBAO version was published in the 18 March China DAILY REPORT, page 29, column one, under the headline "Article Surveys Socialist Commodity Economy."]

[Text] Developing the socialist planned commodity economy is an important part of the economic structural reform that we have been carrying out since the Third Plenum of the 11th CPC Central Committee. Seriously summing up positive and negative experiences in this aspect is of great significance for fulfilling the tasks, achieving the goals, and implementing the basic guidelines put forward by the Seventh Plenum of the 13th CPC Central Committee and in firmly carrying out reform, promoting opening up, and taking the road of building socialism with Chinese characteristics. Here, I would like to present my opinions on

some points related to the development of the socialist commodity economy in connection with Guangdong's economic development.

### **To Realize Socialist Modernization, We Must Develop the Commodity Economy**

For a rather long period of time after the founding of the People's Republic, we regarded the commodity economy as, in theory, incompatible with socialism; in practice, we excessively centralized economic management. This seriously shackled national economic development. Guangdong was more greatly affected and its economic development was slower than the national average for a long time before the Third Plenum of the 11th CPC Central Committee.

In the 11 years since reform and opening up began, party organizations at all levels in Guangdong have led the people of the whole province in firmly implementing the line, principles, and policies laid down by the party central leadership since the Third Plenum of the 11th CPC Central Committee, consistently taking economic construction as the central work and adhering to the four cardinal principles, striving to advance ahead of other provinces in reform and opening up, and in making great efforts to develop the socialist commodity economy. This gave play to Guangdong's conditions of having a multitude of overseas personal connections, being adjacent to Hong Kong and Macao, and keeping close economic ties with overseas areas. Profound changes were made in Guangdong's socioeconomic conditions during this period. In particular, the special economic zones and the Zhu Jiang Delta area took the lead in developing the commodity economy.

Between 1979 and 1989, Guangdong's GNP increased by 230 percent, or by an annual average of 12.8 percent. This rate was not only higher than the national average in the same period but was also higher than the growth rate of the "four little dragons" in Asia during their economic take-off in the 1960's and 1970's. Shenzhen and Zhuhai were originally small border towns, but they have now been built into modern cities that attract world attention. Guangzhou and other small and medium cities in the province have also experienced vigorous economic development and have changed beyond recognition. Substantial changes also occurred in the broad countryside and the poor and backward conditions there began to change. There was sufficient supply of commodities in urban and rural markets. Cultural, educational, scientific, public health, and sports undertakings developed vigorously, and the people's living conditions substantially improved. All this formed a striking contrast with the conditions of slow economic development and insufficient commodity supply on markets for a long time in the past. This not only enriched the increasing material and cultural lives of the people throughout the province, enabling the people in Guangdong to live and work in peace and contentment and ensuring Guangdong's social stability, but also enabled Guangdong, which did not have a strong industrial foundation and rich resources, to increase its capacity for

making contributions to the state. From 1979 to 1990, Guangdong's net financial contributions to the central government increased from more than 800 million yuan to over 5.2 billion yuan (including customs duties collected by Guangdong), or multiplied by 6.5 times. The enterprises, customs institutions, and banks subordinated to the central government increased their tax-profit contributions to the state from less than 500 million yuan to more than 10 billion yuan, or multiplied by 21 times. In the 11 years up to 1989, Guangdong turned over a total of more than \$17.4 billion in foreign exchange to the central government.

Some people asked: Why did Guangdong undergo such great changes with the same people on the same land? The cadres and the masses in Guangdong replied: Because the central leadership adopted a correct line and wise policies. Without the party's reform and opening policy, there would not be today's Guangdong. After the Third Plenum of the 11th CPC Central Committee, the central leadership adopted the basic national policy for reform and opening up, put forward the scientific thesis that the socialist economy is a planned commodity economy on the basis of public ownership, and made the policy decision allowing Guangdong to take a step ahead of others in reform and opening up. In the course of implementing the central leadership's line, principles, and policies, we broke through the shackles of the old economic structure, made advances through reform and opening up, developed through enlivening the economic activities, and moved on along the course of developing the socialist commodity economy.

The development of the socialist commodity economy indeed brought about unexpected power. It not only promoted production development, provided richer commodities for markets, and raised the living standards of the masses, but also prompted people to emancipate their minds and update their ideas. The development of the commodity economy brought about a series of new concepts, such as opening up, time and efficiency, competition, and the need to attach importance to human resources, science and technology, and information. This formed a new trend in promoting social development, breaking through many old conventions which had obstructed production development and instilling new vigor into the economic operation mechanisms. In the past, under the old systems, many people only followed instructions by higher authorities and bookish theories. Many things in society were not handled by people and many people had nothing to do. This was an abnormal phenomenon. Presently, the work enthusiasm and initiative of grass-roots organizations, enterprises, and the working masses have been fully aroused. In the countryside, we do not need to urge peasants to plow the land and sow seeds and industrial enterprises no longer wait idly for state allocations. Under the guidance of the state's policies and plans, all people and institutions operate and conduct production automatically by aiming at satisfying social needs. They try by every possible means to raise their work efficiency, improve product



quality, and flexibly adapt themselves to complicated and changeable market conditions. In the past, we were often upset by the short supply of vegetables and non-staple food in cities and by the prolonged shortage of industrial goods on the market; however, these problems were smoothly solved by the introduction of the mechanisms of commodity production. The Zhu Jiang Delta area of Guangdong is carved up by a criss-cross network of rivers and people had to travel by means of ferries. Currently, a large number of bridges have been built as funds were raised by various means in the commodity economy. In a period of 11 years, nearly 3 billion yuan was raised and used to build more than 1,000 bridges. A complete network of highways has been built in the delta area and travelers are no longer bothered by the rivers.

Some comrades summarized Guangdong's economic development experience into three phrases: "Broad opening, effective invigoration, and rapid development." This is a rather proper summing-up. Innumerable facts show that the commodity economy can bring about immeasurable internal dynamism. Only with broad opening up can there be effective invigoration, and only with effective invigoration can there be rapid development. Without the development of the commodity economy, there would not be today's good situation in Guangdong. To sum up previous experience, we must make great efforts to develop a planned commodity economy to build a strong and modern socialist power.

#### **The Key to Commodity Economy Development Is To Respect and Apply the Law of Value**

How can the commodity economy give out such a great force? The fundamental reason lies in the role of the law of value existing in the commodity economy. One may incur losses if the labor quantity used for the production of a certain commodity is higher than the average level in society; on the contrary, one may make profits if one's labor quantity is lower than the social average. Thus, producers are prompted to improve their management, upgrade technology, lower costs, and raise the economic efficiency. This is an objective law that will function no matter whether people recognize it or not. If people violate this law, they will be punished. Guangdong's economic work in the past 11 years shows that to develop the commodity economy, we need to follow many rules, but the most important thing is to respect the law of value. Consciously applying the law of value to guide economic work is the key to promoting sustained, stable, and harmonious development of the national economy.

The law of value functions in the market mainly through prices and their changes. When a certain commodity is oversupplied on the market, its price will be lower than its value; on the contrary, when a certain commodity is in short supply, its price will be higher than its value. This prompts commodity producers to produce commodities that are in short supply in the market. To respect the law of value, we must ensure commodity exchanges of equal value and make the price of a commodity roughly conform with its value and reflect

relations between supply and demand in the market. Under the previous economic structure, the prices of many commodities were distorted. They did not conform with the value of the commodities as a whole, nor did they flexibly reflect relations between supply and demand in the market. As a result, the production of some commodities which were in short supply in society continued to decline because the more such commodities were produced, the greater losses the producers would incur. How could this arouse the enthusiasm of producers and dealers? It is, therefore, first necessary to carry out price reform. According to market needs and the requirements of the law of value, we began the reform by pursuing the principle of combining price decontrol with price adjustments and further management and gradually lifting price control over most agricultural and sideline products and some industrial goods. Now, goods sold at prices fixed or restricted by the state account for only 20 percent of the total volume of retail sales. Prices of most commodities have been decontrolled or allowed to fluctuate around the guidance prices laid down by the state. The number of commodities that urban residents must buy with ration coupons has been reduced from nearly 50 to only two—namely, food grain and coal. While prices of most commodities were decontrolled, supervision of implementation of the price policy was strengthened to prevent and check the irregular practice of raising prices unreasonably, which would disrupt order in the circulation field. Thus, we gradually established a price system with prices of a small number of important commodities being controlled by the state and prices of most commodities being subject to market regulation.

Price reform has achieved marked and instant results. In the past, prices of agricultural and sideline products were lower than their value for a long time and producers incurred losses and found it hard to maintain simple reproduction. As a result, people could not buy fish in the "land of fish and rice" and fruit almost disappeared from local markets, although Guangdong was famous for its tropical fruit. After prices were decontrolled and the law of value played its role, all sorts of agricultural and sideline products rapidly increased. Fish, meat, and vegetables were in sufficient supply all the year round. People could also buy fresh fruit in all four seasons of the year. The per-capita annual consumption of fresh fish in the urban area of Guangzhou City increased from 17 kg in 1978 to 33 kg at present. Many people said that a large quantity of commodities seemed to suddenly emerge from the ground.

To respect the law of value and develop the commodity economy, we must enliven the market and facilitate commodity circulation. Only through exchange can the value of commodities be realized; however, under the old economic structure, because the market was narrow and there were few circulation channels, plus the idea of denigrating commerce was passed down from history and the practice in some localities' blocking circulation to protect local backwardness, it was hard to conduct commodity production



normally while the market was extremely imperfect and circulation of goods was clogged. We were aware of this problem rather early and took action to promote the development of a market network and reform the circulation system. In the initial stage of reform we broke the old three-tiered wholesale system, and the old vertical product transfer system according to the administrative division, and changed the practice of state monopoly commerce and the artificial division of markets. We went all out to develop various forms of collective and individual commerce, widely set up rural fair markets and all kinds of specialized markets, and gradually developed a market network and a circulation network with multiple forms, multiple elements, multiple channels, and fewer intermediate links, in light of the requirements of the commodity economy. We also developed a batch of enterprises that not only conducted industrial and agricultural production and developed technologies, but also engaged in commercial business, thus integrating production and circulation. These enterprises joined the specialized foreign trade companies in forming the main force for promoting foreign trade and building up an outwardly oriented circulation network. Guangdong's export volume thus increased from \$1.38 billion in 1978 to \$9.6 billion in 1990, multiplying nearly seven times. The development of the domestic and the overseas markets promoted and complemented each other. In recent years, Guangdong products sold in overseas markets, local markets, and domestic markets, accounting for one-third each. Last year, when the domestic market remained in a slack condition, this province actively expanded overseas markets, promoted the export of various enterprise products, and thus increased the total industrial output value by 15 percent over the previous year. Most of the additional output value was absorbed by the overseas markets through the expansion of exports.

To develop the commodity economy, we must respect the relatively independent position of the commodity producers, and must arouse and protect their enthusiasm. Under commodity economy conditions, the law of value will give rise to a force that causes the good to prevail and eliminates the bad and will lead to an external environment providing both opportunities and risks. This objectively requires commodity producers to adapt their operation to market changes and to possess decision-making power commensurate with the social risks they are to take. If peasants do not have the right to decide their production and enterprises cannot make management decisions as before, and if all production and operation has to follow administrative orders from top to bottom, then commodity production will lose all vigor and dynamism. Through 10 years' reform, Guangdong gradually delegated more management powers to enterprises and other producers. As a result, enterprises and peasants could freely decide their production and operation. With the economic activities of enterprises as socioeconomic cells being invigorated, a good foundation has been laid for economic development as a whole. In recent years, enterprises and peasants have acquired many fresh and successful experiences for developing production and enlivening the economy after they

acquired more management powers. Practice shows that delegating management powers to producers, and adjusting production according to the law of value and relations between supply and demand in the market, is an objective requirement in the development of the commodity economy, and is also needed to arouse producer initiative. Once the correct policies are combined with the enthusiasm of millions of producers, a great material force for promoting social and economic development will be formed.

#### **Developing Commodity Economy Is in Keeping with Adhering to the Socialist Road**

In a commodity economy, the economic results of the productive and business activities are measured by the yardstick of socially necessary labor time. This prompts producers to lower production costs and raise work efficiency, thus promoting development of social productive forces. Such a function of the commodity economy has no fixed relation with a certain form of social relations of production or with the character of a certain ownership system. Therefore, we must not regard the commodity as an exclusive attribute of capitalism. Over the past 11 years, in the course of reform and opening up, a major leap in our minds was that we changed the wrong idea of "equating the commodity to capitalism" and understood the necessity of developing the commodity under the socialist system.

In the past, why did we reject the commodity economy in practice? A major reason was that we did not distinguish the commodity economy from capitalism in theory and carried a mental burden, fearing that we might be accused of pursuing capitalism. In fact, the development from a natural and self-sufficient economy to a commodity economy represents an important characteristic of human civilization and an unavoidable stage of social production development. The commodity economy cannot be equated to capitalism because it also existed in feudal society and it has been proved by socialist practice that the commodity economy cannot be rejected. Therefore, it cannot be regarded as an exclusive attribute of the bourgeoisie. Under different social systems, the commodity economy has different social attributes; however, the differences in social systems can only change the social attributes of the commodity economy, but cannot change the intrinsic nature of the commodity economy. The fundamental difference between socialism and capitalism does not lie in the question of whether the commodity economy exists or whether the law of value is still valid; instead, it lies in the different ownership systems. If we deny the objective necessity of the existence of the commodity economy and attempt to transcend the developmental stage of the commodity economy, then we will return to the old path of exercising excessive centralization and rigid control over the economy, and this will inevitably retard the development of productive forces and will only bring about poverty. Poverty is not socialism.

Understanding that the commodity economy is not an exclusive phenomenon in capitalism represented a major achievement in the mental emancipation of the cadres and the masses in Guangdong after the Third Plenum of the 11th CPC Central Committee. In the initial stage of reform and opening up, some cadres had misgivings about adopting the output contract responsibility system in the countryside, the bonus system in factories, the development of the individual economy in urban and rural areas, and the shift of the focus of the party's work. They were doubtful as to whether such measures were "socialist" or "capitalist" in nature. At present, people all firmly adhere to the idea that economic construction should be taken as the central link of our work. They are firmly implementing a series of important principles and policies adopted by the party since the Third Plenum of the 11th CPC Central Committee, more consciously applying the viewpoints of dialectic materialism and historical materialism, realistically observing and handling various questions in economic construction, and daring to break through various old conventions shackling the development of productive forces. All this has laid an ideological foundation for the substantial development of the socialist commodity economy.

The development of the commodity economy is also favorable to encouraging cadres and the masses to hold to a firm conviction of socialism. Our economy developed rather slowly in the past, but the reason did not lie in the socialist system itself; instead, it was related to the fact that the commodity economy was rejected over a long time. In the 11 years' practice, more and more facts show that by greatly developing the commodity economy under the socialist system, we are completely able to create an economic growth rate much higher than that in the capitalist world. In the Zhu Jiang Delta area in Guangdong where the commodity economy is rather developed, including the two special economic zones in Shenzhen and Zhuhai, the economic growth rate after reform and opening up began exceeding the growth rates of the "four little dragons" in Asia during their economic take-off in the 1960's and 1970's. When the economy was backward in the past, the masses were living in difficult conditions and they tried to emigrate to Hong Kong and Macao whenever there was an opportunity; however, as the economy has substantially developed now, the masses are leading much more prosperous lives and some people have returned from Hong Kong and Macao. From their personal experience, they are sure that socialism is better and they now have a firmer conviction of socialism. Therefore, the development of the commodity economy can play a great role in increasing the rallying force of the socialist system, and it is in keeping with adherence to the socialist road.

#### **Correctly Combine the Planned Economy With Market Regulation**

The commodity economy we are developing is a socialist commodity economy—that is, a planned commodity economy based on public ownership. So, we have the complete conditions for giving full play to the guiding

and overall regulatory role of planning in the development of the commodity economy. To maintain the socialist orientation of the developing commodity economy, we must maintain public ownership, implement the principle of distribution according to work, and combine planning with the market in economic operation. On this issue, the key lies in the correct handling of the relationship between planning and market. We must be good at organically combining the planned economy with market regulation, and must not sever the two sides or set them against each other. The so-called organic combination should not mean that the two sides are put together like two blocks. Instead, the blindness of the market should be offset by the scientific nature of the plans and the dynamism of the market should add to the flexibility of the plans. Thus, the intrinsic unity of planning and market should be achieved.

The relationship between planning and market in economic construction is not only theoretical but, more importantly, it is a practical issue requiring continuous exploration. In practice, we need to increase the economic dynamism and ensure sustained, stable, and harmonious economic development. If the economy lacks dynamism, it will be hard to ensure development; therefore, planning work must be based on commodity exchanges and the law of value. It is also necessary to strengthen economic guidance and overall control. Market regulation should be subject to the guidance of state plans and to the constraint of policies and regulations.

An important task in promoting the organic combination of planning and market is to define clearly the contents of planned management, improve macroeconomic management, and enhance the scientific nature of the plans. Through drawing lessons from our previous experiences, we know that planning work should focus on maintaining the gross quantitative balance, making forecasts, drawing up overall programs, giving guidance to economic activities, and exercising macroeconomic control by mainly employing economic policies and levers. Therefore, there should not only be compulsory plans but also guidance plans. Guangdong's practice shows that in most cases, guidance plans may be better suited to the requirements of the law of value and be more easily combined with market regulation. In the past 11 years, this province has greatly cut down the scope of compulsory plans and expanded the proportion of guidance plans. This has achieved marked results. In the future, we should give further play to the macroeconomic controlling role of guidance plans to increase the dynamism of economic work and to more effectively exercise economic management.

On the issue of the relationship between planning and market, we should guard against two one-sided deviations. The first deviation is equating planned regulation to compulsory plans. Once the planned economy is mentioned, some people tend to expand the scope of compulsory plans as much as they like, thinking that the economic structure will return to the old path of excessive centralization and rigidity. The other deviation is to

regard market regulation as a panacea that can be freed from any constraint. So, once market regulation is mentioned, some people tend to cut down on the scope of planned control as much as possible and even completely reject the necessity of planned control. Laying too much stress on compulsory plans will lead to excessive rigidity in economic management and will thus dampen the dynamism of the economy; but rejecting planned control will also bring the economy into a disorderly condition. Neither deviation will achieve any good result. As a matter of fact, in the contemporary world, no country completely rejects planned economic control or completely rejects market regulation. Many countries which were practicing a planned economy have successively introduced market mechanisms into their economies; and capitalist states which pursued a market economy have also intervened in and regulated their economies, even formulating certain forms of state plans.

Presently, to properly combine planning with market, we should proceed from the reality and take measures that are favorable to production development. At the same time, we should also give full consideration to the fact that we are now developing the commodity economy after being prejudiced against it for a long time in the past. In the process of transition, there will be various unavoidable contradictions and frictions. We cannot give up our effort to develop the commodity economy because of these contradictions and frictions, nor can we take the various problems lightly. We should make further step-by-step explorations and give full consideration to the bearing capacity of all quarters concerned when seeking the best combination of planning and market in a certain period and within a certain scope. We should guard against impatience and overanxiety which may lead to measures that affect the political and economic stability of society.

#### **The Dual Character of the Commodity Economy Determines That We Must Adhere to the Principle of "Grasping with Both Hands"**

When developing the socialist commodity economy, we must always guard against and restrain the negative effects of the commodity economy and ensure that it develops along a healthy course. In reality, no matter whether people admit this or not, the commodity economy indeed has a dual character. It not only plays a positive role in promoting the development of social production forces but also brings about the negative effects of spreading the profit-before-everything mentality and money fetishism. For example, the exchange principle in the circulation of commodities and the principle of pursuing profits in the commodity economy may infiltrate people's social lives and bring about the evil tendency of "placing money above everything." Some people may even take themselves as commodities waiting for the highest bid and may go to the extreme of selling their own soul. Some weak-willed people in our party may exchange their personal dignity for money income without regard to the party spirit and may unscrupulously reap selfish gains by even violating the law.

Through revealing the "dual character" of the commodity economy we can help people to increase their consciousness in adhering to the principle of "grasping with both hands" under the commodity economy. The history of social productive forces shows that the full development of the commodity economy is the necessary condition for realizing economic modernization. We cannot reject the commodity economy because of its negative factors, just as we cannot give up eating for fear of choking.

Whether we can give play to the positive role of the commodity economy and, at the same time, restrain its negative effects will depend on whether we can persistently pursue the principle of "grasping with both hands." In particular, we must work in earnest to strengthen socialist spiritual civilization and party building when developing the commodity economy. The development of material and spiritual civilization will promote, and are complementary to, each other. The development of the commodity economy and material civilization will lay a better material foundation for the development of spiritual civilization; meanwhile, when spiritual civilization is strengthened, it also promotes the development of material civilization and ensures that the commodity economy advances along the healthy socialist road. We develop the commodity economy under the conditions of socialism, so the simultaneous development of spiritual civilization is of special significance. It not only guarantees the correct orientation of the commodity economy's development, but also affects its pace. With a tough hand grasping spiritual civilization, we will be able to restrain the negative factors of the commodity economy, increase the bearing capacity of all quarters in society, and thus create better conditions for speeding up the development of the commodity economy.

To adhere to the principle of "grasping with both hands," we must strengthen the party's leadership; this is the most important point. In Guangdong, wherever party leadership is strong and effective and local party organizations can fully play their role as leadership cores, the two civilizations are certainly well developed. In those localities, the negative effects of the commodity economy are reduced and problems can be more easily solved. Therefore, under the conditions of going all out to develop the commodity economy, it is of special importance to strengthen party building and strengthen education for party members and especially leading cadres with party membership.

#### **Tian Jiyun Addresses Rural Work Meeting**

*OW1803141991 Beijing XINHUA Domestic Service in Chinese 2106 GMT 16 Mar 91*

["Sum Up Experience, Strengthen Leadership, and Maintain a Long, Steady Agricultural Development: Speech delivered by Tian Jiyun on 2 March 1991 at the national meeting on exchanging experience in rural economic work"—XINHUA headline. A different



XINHUA domestic version was published in the 5 March China DAILY REPORT, page 39, column one, under the headline "Further on Tian Speech"]

[Text] Beijing, 17 Mar (XINHUA)—Comrades:

The main purpose of this meeting is to understand the guidelines of the Seventh Plenum of the 13th CPC Central Committee, sum up and exchange rural economic work experiences, and discuss how to seriously accomplish this year's work well. Today, I would like to emphatically discuss some of my views on how to comprehend and implement the guidelines of the Seventh Plenum of the 13th CPC Central Committee, sum up experience, strengthen leadership, and maintain a long, steady development of agriculture and rural economy.

**I. Thoroughly Understand the Guidelines of the Seventh Plenum of the 13th CPC Central Committee and Clarify the Guiding Principle for Agriculture in the Next 10 Years and the Eighth Five-Year Plan Period**

The Seventh Plenum of the 13th CPC Central Committee, held not long ago, was an important meeting for China in pioneering over the next 10 years and attaining the second-step strategic objective of socialist modernization. After scientifically summing up our achievements and experiences gained since the Third Plenum of the 11th CPC Central Committee and correctly analyzing the domestic and international situation, the meeting laid down the objectives of struggle and the principles, tasks, and policies, as well as the arrangements and measures for deepening reforms and opening our country wider to the outside world for the next 10 years and the Eighth Five-Year-Plan period, in accordance with the overall demand of building socialism with Chinese characteristics. The plenary session mobilized all party comrades and people across the country to continue to work hard after having already attained the first-step strategic objective, and to strive to double the GNP again by the end of the century, enable the people to lead a fairly comfortable life, and lay a foundation for China to attain its third-step strategic objective in the middle of the next century. Under the ever-changing international situation and intensifying economic competition, whether we can attain the second-step strategic objective and raise the quality of national economic and social development to a new level will have a direct bearing on the rise or fall of China's socialist system and the future destiny of the Chinese nation. For this reason, the next 10 years will be a very crucial period in the course of China's socialist modernization drive. We must have a high sense of historic responsibility and urgency; take full advantage of our successes in reform, opening to the outside world, and modernization in the 1980's; further consolidate and enhance the political situation of stability and unity; concentrate our energies on undertaking economic construction well; continue to firmly promote reform and opening to the outside world; advance on a road of building socialism with Chinese

characteristics; and make the greatest efforts to successfully attain the second-step strategic objective by the end of the century.

Agriculture was an important topic discussed at the Seventh Plenum of the 13th CPC Central Committee. To attain the second-step strategic objective, the plenum proposed that making great efforts to strengthen and develop agriculture should be regarded as a key point in economic construction during the next 10 years and the Eighth Five-Year-Plan period. It pointed out unequivocally: "Feeding the 1.1 billion people is a matter of prime importance, as well as the foundation of economic development, social stability, and national self-reliance." Such an exposition of the role of agriculture shows that we have further deepened our understanding of the importance of agriculture. Agriculture is now viewed not only in the perspective of the national economic development as a whole, but also in the overall perspective of economy, society, politics, and national security. So, the importance of agriculture has been clearly extended to a broader area and raised to an even higher level.

Agriculture comes under the category of economics, and is linked with social and political issues. From the economic angle, agriculture is the source of food and clothing necessary for man's livelihood; agricultural products are important raw materials for industrial development; and the countryside is the vast market of the commodity economy. Particularly in China, which has more than one-fifth of the world population but only 7 percent of the world's cultivated land, the heavy pressure placed on agriculture is far greater than that in any other country. During the 1980's, China's agriculture basically satisfied the demand for food and clothing of its 1.1 billion people. In the 1990's, China's agriculture will be required to meet the demand of over 1.2 billion people at a comfortably well-off standard of living. The increases in population and demand determine that China's agriculture must be constantly strengthened and not weakened. From the social angle, the steady expansion of agriculture and the supply of agricultural products appropriate to the general trend of gradual improvement in living standards are crucial factors that will affect further consolidation of the alliance between workers and peasants, and the safeguarding of social stability. The saying goes that: With grain there will be stability, without grain there will be turmoil; when there is a bumper harvest of all crops, there will be peace throughout the nation. This implies that agriculture is an industry that brings stability to the nation. From the political angle, our country's ability to remain self-supporting lies, to a great extent, on agricultural development. China is a populous socialist country. If we fail to be basically self-sufficient in agricultural production and rely too much on imports, we will come under the control of others. In the event of changes in the international situation, we would end up in a passive position that could even endanger national security. One of the key factors of our spectacular success in economic

reform and development during the past decade is that our economic reform began in the rural areas. Rural reform has effectively boosted the expansion of agricultural production, and created extremely favorable conditions for economic reform and development as a whole. This is an important experience in the success of reform in China. International and domestic events have repeatedly shown that we must never be slack in the area of agriculture. Even if we accomplish the second phase of our strategic goal by the end of this century and become well-off in the future with a per-capita income of several thousand dollars, we must not be slack with agriculture. Agriculture will forever remain an unshakable basic industry in economic and social development.

Due to the important status of agriculture, the seventh plenum noted that the main tasks for agricultural development in the next 10 years and during the Eighth Five-Year Plan are: To increase grain production to the levels of 450 and 500 million tons, and to expand all-around agricultural production with an emphasis on assuring the steady growth of grain and cotton production; to devote strong efforts to forestry development; and to make greater efforts in developing the livestock, aquatic, and rural industries to revitalize the rural economy. It is very important for us to accomplish these formidable tasks. Accomplishing these tasks is vital because they are an important assurance for realizing the second phase of the strategic goal. China is a huge agricultural country. Although agriculture, as a proportion of the GNP, has fallen along with greater industrialization, the important position it occupies will not change. Without a corresponding expansion in agriculture, it would be difficult to double the GNP and raise living standards to a comfortably well-off level. The seventh plenum noted that comfortably well-off means a further improvement in the quality of life in terms of food and clothing to reach the level of well-fed and well-clothed. Without an expansion in agriculture, it is impossible to talk about a life where there is plenty. Therefore, we must accomplish the tasks in agricultural development laid down at the seventh plenum. Currently, the population of China is increasing by about 17 million each year, and by the end of this century it is likely to exceed 1.25 billion. This will place an increasingly greater demand on agriculture. It will require us to tackle family planning and maintain strict control over population growth, particularly the very rapid growth of rural population on the one hand; and to tackle agricultural production to ensure the steady increase of agricultural products on the other. Presently, China is capable of producing some 400 million tons of grain and four million tons of cotton. There is still a wide gap to reach the level of 500 million tons of grain and 5 million tons of cotton, and great efforts will be needed to achieve this.

The seventh plenum noted that it is essential to adopt major measures to ensure that the agricultural goals are achieved according to schedule. The principal measures can be summarized as follows: (1) The implementation of the household responsibility system with remuneration linked to

output and the establishment of the dual operation system combining centralization and decentralization should be maintained as fundamental systems and constantly perfected over a long period of time. (2) In deepening reform in the countryside, it is necessary to give priority to actively developing the socialized service network, perfecting and improving the dual operation system combining centralization and decentralization, and gradually increasing collective economic strength. At the same time, active efforts should be made to reform the circulation structure of agricultural products and expand and develop the circulation channels of agricultural products. (3) Central and local governments should increase the proportion of investment in agriculture, establish and improve the system of accumulation for the collective economy, increase capital construction in agriculture, water conservation, and forestry as well as the comprehensive development of agriculture, improve production conditions, and raise the overall production capacity. At the same time, we should vigorously protect and make rational use of farmlands, grasslands, and forestry resources. (4) Continue to "promote agriculture through science, technology, and education," raise the scientific and cultural levels of the broad masses of peasants; promote the application of achievements in advanced science and technology in agriculture. (5) Helping people in poor areas shake off poverty and achieve prosperity, as is a long-term economic and political task of the party in the countryside. The economically more developed coastal provinces and cities should, respectively, provide assistance to relatively economically backward provinces and regions in the hinterland and help speed up the latter's economic development.

The major decisions and measures adopted at the seventh plenum further reflect the fundamental guideline of developing agriculture by relying on policy, science and technology, and input; they are the fundamental guiding principles for agriculture during the coming decade and the period of the Eighth Five-Year Plan. In particular, the implementation of the household contract responsibility system with remuneration linked to output and the establishment of the dual operation system combining centralization and decentralization, which are clearly spelled out by the plenum, match the present level of the productive forces in China's rural areas and should be maintained for a long period of time as a fundamental system and constantly perfected. The systems, which represent the wishes of the millions upon millions of peasants and show that the hearts of both the party and the peasants' beat as one, will help dispel any fears or misgivings of policy shift and thus arouse greater enthusiasm for production among the vast number of cadres and masses in the countryside. Governments and pertinent departments at all levels should earnestly study and widely publicize the principles, tasks, and policy for agricultural development adopted at the seventh plenum and make them known to every household. We must unify our thinking and action in accordance with the guidelines of the seventh plenum. This is a guarantee for a stable, steady development of the rural economy.



## II. Earnestly Sum Up Experience and Exercise More Effective Leadership Over Rural Economic Work

Respecting the people's creative initiative and summing up and popularizing, in a timely manner, the experience acquired from practice embody the fine tradition of "from the masses, to the masses" long upheld by our party. This is where the true essence of the sustained development of China's socialist modernization lies; it also represents one of the major ways to constantly improve the leadership of cadres at all levels during the new historical period. The series of major reforms, starting with the household contract responsibility system with remuneration linked to output, that were implemented in China's countryside during the eighties were all formulated on the basis of a summing up of practical experience. In the course of achieving the second-step strategic objectives during the coming decade, we should still persist in proceeding from reality, earnestly sum up and utilize useful experience tested by practice, promptly solve problems of one sort or another as they emerge, and promote rural reform and development. Through on-the-spot visits and exchanges, this meeting showcases the new level and new experience of economic development in the countryside that deserve careful study and emulation.

### 1. We Should Regard Extensive Development of the Circulation of Agricultural Products as an Important Part of Rural Economic Work

Agricultural development in the 1980's created a new problem, i.e., how should we properly organize and lead the planned commodity economy in rural areas? In addressing future agricultural issues, we must pay attention to both agricultural production and the circulation of agricultural products, and must not focus our efforts only on production. Currently, the commodity rate of our agricultural products has exceeded 60 percent; this indicates that our agriculture has begun to gradually shift itself from the state of being self-contained or semi-self-contained, and that it has begun to enter a new stage of commodity economy. In a commodity economy, production decides circulation; while, on the other hand, circulation reacts to production, and, under given conditions, decides production. If peasants are unable to sell the commodities they produce, preventing them from realizing the value of the commodities, then not only will the labor invested by peasants not be compensated, the means of production they use to produce these commodities also cannot be retrieved. Losses resulting from this are even greater than no production at all, and will prevent production from continuing, let alone expanding the scale of production. Therefore, production and circulation provide necessary conditions for each other, restrict each other, and complement each other. Because of the bumper agricultural harvests in the past few years, peasants in many localities have had difficulties selling their grains and other agricultural products. As a result, prices of agricultural products have slipped excessively; and peasants in some localities have increased agricultural production but not income, or even have had less

income. According to statistics provided by the State Statistical Bureau, the peasants' net income, after taking inflation into account, increased by only 1.8 percent in 1990. A relatively small increase in the peasants' income in bumper harvest years is a problem that should be granted great importance. Viewing the overall situation and from a long-range viewpoint, agricultural products are still relatively insufficient in China, a large country with a population of 1.1 billion. Then, why do we have difficulties selling agricultural products? The underlying problem is that our circulation system lags behind, and that our circulation facility, circulation system, macro-economic regulation and control means, and other circulation means cannot meet the needs arising from the modernization of agriculture and its continuing development into a commodity economy. Solving the circulation problem is protecting and stimulating peasants' enthusiasm in production, protecting our agricultural productive forces, and creating favorable conditions for expanding agricultural production and for pushing it to a new height. Solving problems in the sale of agricultural products is showing concern for the masses' interests, wholeheartedly serving the people, and strengthening the relations between the party and government as well as the masses. We must perceive circulation as something that is as important as production, and address the circulation of agricultural products as we address production problems.

Practice in various localities shows that, to invigorate the circulation of agricultural products, we should pay attention to the following experiences and problems:

First, we should properly control things that we ought to control, liberalize things that we ought to liberalize, and organically integrate the planned economy with market regulation. Socialism needs a market, and capitalism is not without planning. We should not regard the market as something exclusively belonging to capitalism, something exclusively serving capitalism. As long as there is commodity production, a market should exist; commodity production without a market will not last. Dealing with issues in this regard involves the problem of doing away with superstitions and emancipating the mind. According to the current policies of the party and state, in the sphere of circulation of agricultural products, with the exception of cotton, natural silk, and tobacco, the dealing of which is monopolized by the state, authorities concerned must truly lift restrictions on the marketing of grain and oil-bearing crops, minus those earmarked for state purchase, and other agricultural and sideline products that are free to be marketed; must practice market regulation; must strictly ban regional protectionism; and must do away with artificial administrative barricades. While we should exercise control in expanding the circulation sphere, we should be resolved in dissolving all links that impede the circulation of commodities, and should do away with the illegitimate practice of collecting fees and imposing fines at will. City authorities should create favorable conditions for the marketing of agricultural products in urban



areas and provide convenience to urban residents. Industrial and commercial administration departments, taxation departments, public security departments, transportation departments, and other departments concerned should cooperate with one another, exercise control over or liberalize marketing activities as they see fit in order to let commodities flow freely, and develop a unified nationwide market.

Second, while encouraging state-run commercial establishments, foreign trade organizations, and supply and marketing cooperatives to play a major role in the circulation sphere, we should further encourage and lead peasants to engage in circulation activities, and take resolute measures to diversify circulation channels. Brisk commodity production must be supported by a developed circulation system, and a developed circulation system apparently cannot be a single channel, or be monopolized by one organization, or be operated in a closed environment. The saying "it will be unstable without major circulation channels, and it will be inflexible without diversified circulation channels" makes sense. China has a rural work force of more than 400 million men. Beside those engaging in agricultural production and rural enterprises, it is inevitable that a considerable number of them will enter the circulation sphere. This is an inevitable result of the development of commodity economy as well as an objective need for solving employment problems in rural areas. Therefore, we should actively support and organize peasants to engage in the circulation sphere, and protect the legitimate business rights and interests of collectives and individuals. At the same time, we should use established policies, laws, and regulations as a mean to guide and manage them. By promoting what is beneficial and eliminating what is harmful, we will be able to make our circulation system more standardized and organized.

Third, it is necessary to develop, in a planned way, wholesale markets for agricultural products and to establish direct contact between production and marketing departments. For years we have encountered the difficult problem of coordination and stability between production and marketing departments. When products are in short supply, everyone rushes to buy them; when they are in excessive supply, no one wants to buy them. This results in large price swings that are not beneficial to either producers or consumers. Experiences gained at home and abroad show that establishing wholesale markets to facilitate the establishment of direct contact between production and marketing departments and to develop trade in futures incrementally are conducive to stabilizing the relationship between supply and demand, preventing panic purchasing of various kinds and the market fluctuation of agricultural products, and reducing costs of commodity circulation in the middle links. At the same time, producers and areas producing raw materials should be allowed to establish direct contact with processing enterprises and marketplaces to build a stable relationship between supply and demand. In the past few years, a number of wholesale markets for

agricultural products have been set up in various localities, and preliminary experiences have been gained in this regard. With the approval of the State Council, a wholesale wheat market was set up in Zhengzhou last year. Later, Jiangxi, Anhui, and Jilin set up wholesale rice markets in Jiujiang, Wuhu, and Meihekou, respectively. The next step is to consider the establishment of wholesale markets for corn, soybeans, and other agricultural and sideline products in order to get staple agricultural and sideline products, such as grain, oil-bearing crops, pigs, and wool, into regular markets, except those that are purchased by contract or that are sold with an exclusive right. We have noticed that a wholesale vegetable market in Shouguang County is managed very well, which has not only solved the problem of vegetable circulation but promoted the development of a large number of service trades. Setting up wholesale markets and developing trade in futures incrementally are aimed at providing an organizational guarantee for building normal order in the circulation of agricultural products, and they also constitute an important component of a market regulation and control system to be gradually instituted. Trade in futures is particularly restricted by law and contract; when a contract is signed, it must be fulfilled. In recent years, more cases of breach of contract or failure to observe contract agreements have occurred than before. Such phenomena should be gradually eliminated in the course of legalizing and standardizing markets. This is also an important task to be carried out in economic improvement and rectification and the deepening of reform in the circulation of agricultural products. The reform of prices for agricultural products should be carried out in a planned way, incrementally, and without going beyond the endurance of the masses, the enterprises, and the state.

Fourth, the construction of basic facilities for commodity circulation should be stepped up. Facilities for the circulation of agricultural products in our country, especially storage facilities, were built at a time when the commodity rate was rather low. For years, such facilities have developed slowly, and some of them have been out of repair. Those facilities do not meet the needs in the development of the rural commodity economy, and problems are outstanding. Now it is difficult to sell grain mainly because a shortage of granaries makes it impossible to purchase as much grain as planned. To change this situation, it is necessary to mobilize all those involved in grain circulation to develop or build granaries, cold storage facilities, as well as basic transport, marketing, and processing facilities. From now on, we should strengthen our efforts to build basic facilities for commodity circulation, which should be included in the capital construction plans of governments at various levels. In building large-scale agricultural development projects and commodity base areas, it is necessary to take production and circulation into consideration and to establish a complete concept of developing the commodity economy.

## 2. Develop a Socialized Service Network in Agriculture and Improve the Dual Management System as the Focus of Deepening Rural Reform

The dual management system instituted in the collective economy during the course of rural reform is a basic system which ensured vigorous agricultural development in the 1980's and will continue to ensure further agricultural development in the 1990's. But this system is still not perfect enough—mainly the link of collective operations is rather weak in most localities, and services being provided to household operations by contract as the basis have yet to meet the needs in this regard. This is not conducive to giving fuller play to the vitality of household operations by contract and the superiority of collective operations, and it does not meet the needs in the development of productive forces and the popularization and application of science and technology. Therefore, our next step is to develop the socialized service system in agriculture, to improve the dual management system, to combine the superiority of collective operations and the initiative of household operation by contract, to make the best possible use of favorable conditions and avoid the effects of unfavorable ones, and to have collective and household operations promote each other, as the focus of deepening rural reform. Conditions permitting, agriculture may be managed in various ways, on a fairly large scale, on the basis of voluntary participation by peasants, and according to local conditions. Particularly, newly developed resources, including reclaimed land, beaches, and hillside land and developed waters should be managed on a fairly large scale at the beginning of such operations. In localities where agriculture is managed on a fairly large scale, it is all the more necessary to develop socialized services.

To step up building a socialized service system for agriculture is a fundamental way to raise agriculture to a new level. The household contractual operation can arouse a high sense of responsibility and great initiative, but it also has its limitations. As you can see, there are some aspects before, during, and after production that either cannot be done or cannot be done well by one family alone. We also should see that even when individual families can do something alone, the levels of their economic efficiency can be greatly different because of the difference in the quality of laborers and production conditions. To divide labor and trade and provide good-quality, unified service to peasant families can solve these difficult problems, save manpower and money, eliminate the unevenness of the household contractual operation, and universally raise the production level. Those who have visited Huantai county have seen that the crops there are growing in the same manner. This is the result of its introduction of "five unified" services, as well as its basic experience in achieving a per-mu grain yield of 1 metric ton.

The main approach is to strengthen the service functions of collective economic organizations and enable them to provide service to peasant families. At the same time, it is necessary to mobilize the forces in all quarters of the society to institute and improve socialized service

system for agriculture in a coordinated and cooperative way. The visits organized by this meeting and the experience exchanged at this meeting have shown to us that there are community services established by rural collective economic organizations; services offered by various stations at the grass-roots level (such as an agrotechnical station, a farm machinery station, a water management station, a forestry station, a veterinary station, and an operation and management station) of agricultural, forestry, and water resources departments; services offered by supply and marketing cooperatives and commerce and foreign trade departments; services offered by scientific and technological departments, scientific research department, colleges, and secondary technical schools; and services offered by peasant associations and specialized households. In addition, comprehensive agricultural development also has played a great role in promoting agricultural mechanization and developing production service. According to the experience of Zhucheng, service entities that offer integrated trade-industry-agriculture service to producers, suppliers, and marketers for certain products are greatly welcome to peasants and merit attention and promotion because they have vitality and a good future. For instance, some food-processing plants run under the auspices of the foreign trade department have connections with many families and with both domestic and foreign markets. Generally speaking, a multichannel, multiform, and multilevel service system has more or less been set up and begun to function in most regions, and it is playing a greater and greater role. Because the situations of different regions differ greatly, the form and contents of service systems should be adapted to local conditions and local economic development needs. In short, we should consider local reality, actively create the necessary conditions, and develop the service system step by step. We should neither create obstacles, nor should we act with undue haste or arbitrarily demand uniformity. We should support anything that can solve practical problems and is welcomed by peasants. In addition, the socialized service should follow the law of value, and we should advocate a low-profit paid service. We should adhere to a principle of voluntariness and respect the power of peasant families in making operational decisions. We should not overstaff the service system or unreasonably increase service charges.

In recent years, we have talked a lot about the importance of establishing the service system. Now the question is how to adopt an effective supporting policy, make great efforts to develop the service system as soon as possible, and make it play its due role in rural economy. The problem can be solved in two respects. On the one hand, localities with the necessary conditions should develop collective economy and fortify the strength and means of service according to local conditions. When collective economy grows in strength, it will be of great significance to consolidating the political power at the grass-roots level, forming closer cadre-people relations, and stabilizing rural areas. On the other hand, both the state and local governments may consider supporting the

establishment of the service system with support-agriculture funds. We should sum up the experience of various localities in "combining technology and materials" and affirm the practice of "running an entity for the purpose of providing service, and running the entity well to promote service."

### 3. Treat Agricultural Development as a Strategic Measure To Boost Agriculture to a New Echelon

In recent years, a new feature has emerged in agricultural development in China. Given the realities of a large population, little arable land, and a permanent gap between the supply and demand of agricultural products, efforts have been made to tackle both conventional and developmental agriculture, and new ground has been broken while trying to raise the overall production capability of agriculture and to develop and utilize new resources. Developmental agriculture refers mainly to the comprehensive development of agriculture and the development projects for poor areas. Comprehensive development is unfolded on a large scale nationwide within a span of three years. Marked results have been achieved because the guidelines are defined clearly and the course is correct. During the Seventh Five-Year Plan, development projects in poor areas managed to solve the problem of food and clothing in most of these areas. Experience shows that development in these two areas is a success, and has broken new ground to boost agriculture to a higher echelon and correct backwardness in rural areas. They were welcomed and supported by all sides. Governments at all levels must place developmental agriculture on their agenda, and continue to tackle it resolutely.

The comprehensive development of agriculture should focus on depth and range, and should constantly increase the volume of agricultural products to meet demand in the market. In terms of depth, we must focus firmly on upgrading medium and low-yielding farmland and raising the yield per crop to tap the potential of existing agricultural resources to their fullest. This requires less investment, produces quicker results, and generates higher returns. In terms of range, we must develop new agricultural resources in a planned and selective manner. Investment of capital should be focused. We should concentrate on one plot of land at a time instead of spreading investment thinly over a vast area. We must not rush headlong into action. At the same time, we must combine the comprehensive development of agriculture with development projects in poor areas, harnessing small river basins, afforesting and providing work as a form of relief in the same locality, and supplement each other to form into a large-scale overall development project.

Regardless of developmental or conventional agriculture, we must exercise the role of technology and education in revitalizing agriculture, and ensure that priority is accorded to quality and returns during development. We must avoid wasting money and manpower, and prevent formalism of any kind. All development projects must be assessed before being allowed to proceed, and must be

subjected to modern management. To raise the utilization rate of resources for development, we must list a group of applicable technologies like new hybrid and fine strains, high-yield cultivation, breeding techniques, application of fertilizers and pesticides, water conservation and irrigation, techniques of growing crops under plastic sheeting, selection of quality saplings, and modern cultivation techniques, that are effective, well developed, and welcomed by the peasants. We must vigorously promote them to gradually build farmland with high and steady yields. In particular, localities that enjoy irrigation should treat the construction of high-yielding farmland as their development goal. We must take effective measures to encourage and support scientists and technicians to rusticate. By means of contracting and other methods, we must offer due rewards to scientists and technicians for the know-how they provide. We must link the promotion of technical achievements with the appraisal of job titles. Departments supplying capital goods must give priority to the supply of fertilizers and pesticides used in the promotion of technical achievements. To allow technologies and investment materials to play a more effective role, we must pay close attention to training agricultural workers, raise the quality of science education for peasants, and link developmental projects with the development of human resources. From now on, during investment in agricultural development projects, we should consider including expenses for training managers and workers from the locality of the project concerned as we do in development projects for poor areas. Departments in charge of agriculture, science and technology, and education must do a good job in integrating the three, and work together for the development of agriculture and the rural economy.

In addition, we want to reiterate the following: We should adhere to the principle of taking comprehensive measures to deal with problems related to mountains, rivers, lakes, farmland, forests, and roads as a whole, to improve economic efficiency, social benefits, and ecological benefits of the overall development of agriculture; we should insist that funds must be used with compensation, be recovered for circulation, and be kept in circulation, to develop an energetic mechanism for agricultural development; we should insist on integrating agricultural development with peasants' vital interests; we should carry out all preferential policies; for projects with the participation of the majority of local people, we must adopt the principle of mutually beneficial cooperation and exchange of equal value to inject long-lasting vitality to agricultural development; and we should insist that, under the leadership of governments at various levels, departments concerned should cooperate closely with and support each other, and work hand in hand to ensure the success of the great undertaking of comprehensive agricultural development.

### 4. We Should Regard Guiding Rural Enterprises To Continue To Develop Healthily as an Important Task of Rural Economic Work



Since the Third Plenum of the 11th CPC Central Committee, rural enterprises have sprung up as a new force, and have become an indispensable pillar of rural economy and an irreplaceable part of our national economy. Rural enterprises not only have played an important role in utilizing rural manpower, in increasing peasants' income, in accelerating agricultural development, in invigorating the rural economy, in enriching rural cultural life, and in refreshing the peasants' way of thinking, but also have made important contributions to increasing financial revenues, to increasing exports and foreign exchange earnings, to speeding up the process of China's industrialization, and to narrowing the gap between rural and urban areas and between industrial and agricultural workers. In the next 10 years and during the Eighth Five-Year Plan period, we should continue actively to support and provide correct guidance to rural enterprises. Through making further efforts to consolidate rural enterprises, to improve their management, and to deepen reforms, we should seriously restructure rural enterprises to maintain a moderate growth, to improve product quality, to raise economic efficiency, to improve the overall quality of rural enterprises, and to ensure the steady and healthy development of rural enterprises. Based on the experience of various localities, to achieve the aforementioned goals, we must properly do the following things:

First, we must provide further policy guidance to enterprises and clearly point out the direction of industrial development. Based on the state's industrial policies, we should develop an industrial structure and setup that are in line with the features of rural enterprises; and we should develop gradually a new kind of relationship between urban and rural enterprises based on the reasonable division of work, supporting each other with one's strengths, and developing in a coordinated manner. The focus of rural enterprise development should be put on processing agricultural and sideline products (including forestry products, animal products, and aquatic products) and on tapping local resources. Localities with a relatively developed economy and suburban areas may launch more projects to support urban industries. The current setup of the agricultural and sideline products processing industry should be readjusted systematically and reasonably, gradually shifting those processing industries suitable for rural areas to rural areas. Some products may be developed and processed through association or cooperation between urban and rural areas, with rural areas doing the initial processing work. Through upgrading production technology and products, and through developing new products, urban enterprises may shift to producing high-grade products and developing other high-technology products.

Second, it is necessary to pay attention to building small industrial zones and to have an appropriately concentrated distribution of industry. Because of given historical conditions in the past, village and town enterprises are scattered in many areas; they occupy a lot of land. This has increased the investment in the infrastructure, and it is not conducive to the exchange of qualified

personnel, information, and technology and the circulation of commodities, and it is not conducive to tackling the problem of environmental pollution and the development of small cities and towns in rural areas. In recent years, some localities have gained some directional experiences—that is, rational planning is made for building small industrial zones within the bounds of towns and townships so that enterprises will be fairly concentrated step by step. In newly developed areas, the old path of "running factories in every village" should be avoided at the beginning, and processing enterprises should be set up in small market towns with water, electric power, and transport services. This is conducive not only to the development of village and town enterprises themselves but to building new, rationally distributed villages and towns with local characteristics and with such enterprises as their support.

Third, it is necessary to give full play to the advantages of flexible mechanisms and, at the same time, to increase planning guidance to bring village and town enterprises into the orbit of development of the socialist planned commodity economy. Increasing planning guidance for village and town enterprises is different from present measures for managing state enterprises. It does mean any change in ownership and affiliation but reserving in plans an appropriate proportion of energy resources and raw and semifinished materials according to the needs and possibility of developing village and town enterprises. Such energy resources and raw and semifinished materials should be used by the village and enterprises through market regulation. Bank loans should be increased appropriately; in so doing, it is necessary to prevent an unchecked increase in the number of village and town enterprises and, at the same time, to take into account the need for the normal development of such enterprises. Particularly, enterprises producing name-brand goods and those earning foreign exchange through exports should be supported in energy, credit, and raw and semifinished materials.

Fourth, conditions permitting, village and town enterprises should further develop products for export to earn foreign exchange and improve their quality as a whole. Earning foreign exchange through export is an important contribution to the state, which is also conducive to readjusting their product mix, improving the quality and competitiveness of products, and raising the quality of their management. Of course, village and town enterprises have the advantages of flexible mechanisms and adapting to the changing international market. Their labor-intensive products and products with abundant resources in particular have a great potential for export to earn foreign exchange, and they can achieve a great deal in this regard. Beginning this year, a major reform has been carried out in the foreign trade system. Under the reformed foreign trade system, village and town enterprises can display fully their capabilities through fair competition. Various relevant departments and localities should give first consideration to this work that has an important bearing on the overall situation, create

favorable conditions in various aspects, and support village and town enterprises to further develop exports to earn foreign exchange.

**5. Strengthening Macro Regulation and Control Should Be Taken as a Major Measure To Maintain Long-Term Stable Development of the Rural Commodity Economy.**

By strengthening macro regulation and control, we mean to implement the principle of integrating the planned economy and market regulation and to solve promptly all kinds of contradictions and difficulties appearing in the operation of the economy to ensure a relatively smooth development of the rural commodity economy. During these years difficult problems in selling and buying have appeared alternately, and there have been large increases and decreases in production. This is closely related to inadequate macro regulation and control. According to the experience and lessons we have on hand, it is necessary to do a good job in organization and coordination in various aspects:

First, we should do good adjustment work between bumper harvests and poor harvests and maintain a relatively stable condition of market and production. Agriculture, which is an outdoor productive undertaking, to a very great extent is subject to the influence of the climate. Unevenness caused by bumper harvests and poor harvests is inevitable, and this is no exception even in developed nations. Because of a good or bad climate, production may have ups and downs, but at no time can there be a gap in market supply. This is especially the case in dealing with grain supply, which must be kept relatively stable. Last year the State Council decided to establish a special grain reserve system, a major measure aimed at using bumper harvests to make up for poor harvests and stabilizing the production-sales relationship. In the future, we should not only have a grain reserve, but should also consider the establishment of reserve systems for cotton, cooking oil, sugar, pork, wool, rubber, and other major agricultural products related to our national economy and the people's daily lives. Like a big reservoir, such systems take in the supply in bumper-harvest years and give it out during those years when the harvest is poor. This protects the interests of producers as well as consumers and is conducive to guaranteeing and promoting the national economic development and social stability. Moreover, not only the central government but also local governments should have reserves. It is necessary to establish a variety of reserve systems covering various levels. With such systems, we will have the power to take the initiative and will be able to meet the difficulties arising from both "surplus" and "shortage." To cope with these systems, we should set up reserve funds and build storage facilities to provide conditions for the reserves. This is an important long-term plan that benefits the state and reassures the people. Everyone from the top down should play a positive role in creating conditions for this. It is imperative to take prompt action and make serious efforts to carry out the plan successfully.

Second, we should do well in coordinating production and sales and establish a reasonable system of work division among different areas as well as an integrated market. Coordinating the relationship between producing and selling areas through the wholesale market and especially futures trade is one of the major goals of the reform of our country's agricultural products circulating system. Before this goal is achieved, however, we must use administrative measures to coordinate the relationship between producing and selling areas. In the case of agricultural products supplied in large quantities, regulating surplus and shortages as well as regulating different varieties between different provinces and between various cities and counties should be conducted in an organized way and through economic contracts or government agreements. We should make this an established system within a certain period and see to it that the system has a legal effect. When a product is in serious shortage, the producing area must supply it according to the agreement. When the product is in abundant supply, the selling area must take in the product as stipulated in the agreement. This will enable the producing area to decide on how much it should produce in accordance with the volume of sales, thus reducing the extent of acting unrealistically and so averting the ups and downs and losses resulting from this.

Third, we should coordinate successfully the relationship between domestic production on the one hand and imports and exports on the other and see to it that import plans are based on production and that production plans are based on exports. In recent years, because of the lack of coordination in this respect and other reasons, we have on the one hand imported grain, sugar, cooking oil, wool, rubber, and some other products. On the other hand, however, these products have been overstocked in our country. Regarding some export products, when they are urgently needed on the international market, there have been panic purchases by driving up the prices. When the market is sluggish, nothing has been done to cope with the situation. This has inflicted losses on production and peasants concerned. We should draw experience and lessons from these instances. From now on, all import plans for agricultural products should be decided upon and adjusted in accordance with the state of domestic production. We should see to it that import plans are determined by the state of our own production and that production and import are coordinated. As for exports of agricultural products, it is necessary to base our export plans on international market forecasts. Then, we should sign contracts with the producing areas and peasants and undertake the risks and economic responsibilities accordingly. We should see to it that our production plans are based on the needs of exports and that coordination exists between production and exports.

Fourth, we should create a favorable environment for the development of a commodity economy in rural areas by smoothing out departmental coordination. I have previously talked about coordination in several areas.

There are also others, such as fixing the prices of farm produce, producing the agricultural means of production, import and supply, finance, credit, and input, which are problems whose solutions should be coordinated by various departments. They cannot be solved satisfactorily without coordinated action by various relevant departments. Henceforth, governments at all levels should establish a system for coordination. Problems should be solved through consultation at joint meetings of various departments under the chairmanship of responsible persons of governments.

#### 6. We Should Make Improving Work at the County Level an Important Link in Deepening Rural Reform

New problems will crop up constantly in the course of developing the economy and deepening reform in rural areas. This requires that we explore, conduct experiments, and advance in a pioneering spirit. In solving these new problems, it seems that the party committees and governments at the county (city) level can give more play to their enthusiasm and creativeness and play a role in boldly exploring and blazing a new trail for innovation under the guidance of the state's overall policy. The economy at the county level is a branch of the system of the national economy as a whole. In a county economy there is a fairly complete range of branches of industry and trades. In addition, there are organs set up under the state's macroeconomic control departments. Under the unified leadership of county party committees and governments, county-level economic undertakings are relatively easy to organize and coordinate and are qualified to solve comprehensive problems. At the same time, the county-level economy is in rural areas and is engaged mainly in agriculture. As it is closest to the grass-roots areas and close to the frontline of economic construction in rural areas, it is easier for county authorities to make policy decisions and adopt practical and effective measures in light of reality. I hope party and government leaders at the county (city) level will give more play to their initiative and creativeness under the leadership of the provinces and prefectures.

How should the county-level economy play a greater role in rural development and reform in the future? Based on the experiences introduced and exchanged at this conference, two points should be emphasized and advocated: 1. County leading bodies should unite as one, pluck up their spirit, and do their work vigorously and with initiative. Under the overall environment in which sales were sluggish and circulation of farm produce stagnated throughout the country last year, why was it that counties (cities) like Zhucheng, Shouguang, and Laiwu in Shandong Province were able to satisfy the masses of peasants by doing a good job in stabilizing the rural contract responsibility system based on the household with remuneration linked to output, in establishing and improving a socialized service system for rural areas, in consolidating and expanding the rural collective economy, and in promoting the flow of farm produce? Most crucial in making this possible was that the mental outlook of these county leading bodies was fairly sound,

that they were trying their best to solve problems and working creatively and consciously instead of only complaining or placing their hopes on the higher authorities for money, materials, and solution measures. 2. We should vigorously but steadily deepen reform in connection with the development of the economy at the county level. Many comrades have noted that to enliven the flow of farm produce and develop a socialized service system for the rural areas under the present circumstances, it is necessary to smooth out the relationship among various departments and trades. Many counties have discovered new solution methods after making some bold trials in this respect. These county comrades should be encouraged to explore areas vigorously, including grain purchasing and marketing, popularizing agrotechniques, developing rural insurance programs, and improving the banking system. All these can be reformed on a trial basis; however, in carrying out reform in these fields, it is necessary to move with steady steps and avoid creating a shock or vibration. Still less should we continue to increase the number of government organs. We should follow the general principle that simplified administration is conducive to the development of the rural commodity economy.

#### III. Do Well in This Year's Work in a Solid Manner, Strive for Continued Agricultural Bumper Harvests

China scored an unprecedented bumper harvest in agriculture last year, which was of great importance to market prosperity, economic development, and social stability. It was the result of the efforts by the central and local authorities to strengthen leadership, stabilize policy, increase investments, and promote agriculture through reliance on science and technology, as well as the result of the support for agriculture from all trades and professions. This fact should be fully affirmed.

In December last year, the party Central Committee and the State Council issued a special "Circular" for agricultural and rural work this year to make the necessary arrangements in advance. We should take into consideration the actual conditions, take effective and concrete measures to counter the unfavorable factors this year, and make solid efforts to ensure success in all fields of work in implementing the "Circular" of the party Central Committee and the State Council.

It is an arduous task to wrest another bumper harvest this year right after last year's bumper harvest. Many factors contributed to last year's bumper harvest. Particularly noteworthy is that we reaped the bumper harvest under fairly favorable weather conditions. This does not mean that China's comprehensive agricultural production capacity has reached a high level. Therefore, it is not at all easy this year to maintain last year's grain output level while ensuring appropriate growth in other areas. In addition, some unfavorable factors exist in the market environment, chemical fertilizer supply, and this year's weather conditions. In a word, we should pay more adequate attention to and clearly understand the difficulties. Otherwise, a little slackening or a few mistakes may result in



sharp increases or decreases in production. Sharp increases are fairly easy to cope with, but once we experience a sharp decrease, it may take years before production will go up again. This definitely will delay the realization of the goal of agricultural development in the "Eighth Five-Year" Plan and the 1990's. We experienced several years of stagnation in grain and cotton production after the bumper harvest of 1984. This lesson is still fresh in our minds. We cannot afford to repeat the detour of history. We should not underestimate the difficulties facing agriculture this year. Governments at all levels should consistently pay attention to and strengthen agriculture, and continue to mobilize and organize people in all trades and professions to support agriculture. This year's work should focus on the following:

First, stabilize grain acreage, increase per-unit output, and strive for a steady growth in total output. Because of the difficulties in selling grain last year, the acreage sown to grain may decrease. All localities should take prompt measures and make greater efforts to stabilize grain acreage. After that, they should work to increase per-unit yield; only then can we possibly realize this year's grain production task.

Second, increasing agricultural investment should be incorporated as a task in the plan to be implemented as soon as possible. To support agricultural development, this year the state will allocate funds for use on agricultural development and construction. Local governments at all levels should widen the scope of agricultural investment accordingly. In addition, they should establish and perfect the system of accumulating the collective economy, continue to "supplement agriculture with industry," "develop agriculture by means of industry," and encourage and guide peasants to increase investments. The agricultural investment funds raised from all sources should be used correctly to serve major projects, so that energy can be concentrated to ensure accomplishment of some great tasks.

Third, beef up aid-agriculture industries, and ensure the supplies of materials for agricultural use. The plans for producing and importing materials for agricultural use this year have been transmitted by the state and should be implemented by all departments concerned without delay. Measures should be taken to increase domestic production of chemical fertilizer. In addition, we should encourage and guide the peasants to make scientific use of fertilizer, plant more green manure, and apply more farm manure. Considering the fact that price of grain is too low and that the peasants' burden is fairly heavy, we should stabilize the prices of the means of production, to maintain a reasonable price ratio with farm products and ensure increases in the peasants' annual net income.

Fourth, continue to pay close attention to procuring farm products, and organize manufactured goods for sales in rural areas. The assigned tasks of special storage for grain, sugar, pork and wool should be implemented without delay. The major producing areas of these goods should be given preferential treatment. In addition, we should open up the

market and improve commodity circulation. The supply and marketing cooperatives have held joint sales exhibitions with light industrial departments, and have organized the sales of manufactured goods in rural areas. This practice is commendable and should be encouraged. The entire year's work depends on a good start in spring. We should do our best to market all the surplus products in the peasants' hands, and deliver the needed means of production and daily necessities to the rural areas in support of spring farming and production.

Fifth, step up training scientists and technicians on the forefront of agriculture. Invigorating agriculture through science and technology is a strategic policy decision for developing agriculture. In recent years, great achievements have been made in invigorating agriculture through science and technology; however, some practical problems still remain to be solved, the most important of which is training promoters of agricultural technology at the town and township levels. In the course of structural reform, we also should explore ways to combine agricultural scientific research with agricultural education and propagation, and bring out the integrated role of agricultural technicians. We should promote the system that requires graduates from agricultural universities to work for a few years at grass-roots stations (offices), encourage graduates from agricultural secondary specialized schools to go back to their hometowns, consolidate the grass roots, and beef up the technical service force at the forefront. While doing a good job of elementary education in rural areas, we should make plans to develop agricultural and vocational senior middle schools, sponsor the various types of adult education that have proved effective, and improve the peasants' scientific and cultural quality.

Sixth, start early to make preparations against natural disasters. Since last winter, the climate has become volatile. The wheat-producing areas in the north have received little rain and snow, while some places in the south have experienced an autumn of lodging plants and continuous drought, and water storage there has been low. If there are still no fairly heavy rains in spring, drought will become more serious, which will threaten crop production and spring sowing and planting. All localities should make early preparations, and be ready to combat spring drought early on to create favorable conditions for a bumper harvest of this year's summer grain and for production during the entire year. Concerning farmland irrigation projects built during the last winter to spring period, we should build earnestly the supporting facilities for them, finish all the remaining work, ensure the safety and quality of the projects, and manage them well so they will yield the expected benefits in agricultural production this year. While making preparations to combat drought, we also should pay attention to preventing waterlogging and see to it that combatting drought and preventing waterlogging are conducted simultaneously. This year the investment for harnessing the great rivers is mainly designated for the reinforcement of the major dikes on Changjiang, Huanghe, and

Huaihe and for the construction of major flood storage zones in Dongtinghu and Poyanghu. In a word, we should be ready for early, great floods and adequately prepare for them. We should implement the system of responsibility for administrative heads at all levels; implement flood prevention programs; make sure there is enough manpower, funds, and materials for flood prevention and rescue operations; clear the rivers of obstacles; tighten preventive measures against typhoon, torrential rains, mudslides, and other natural disasters; and strive to minimize damage from floods and waterlogging. We should be ready to prevent floods to safeguard security, and combat natural disasters to reap bumper harvests. With sufficient preparations, we can avert perils and ensure the sustained and steady development of agriculture.

Seventh, take effective actions to do a good job of afforestation. Forests provide an ecological safeguard for high and steady production in agriculture and animal husbandry. They also protect irrigation facilities so they can yield benefits. Forestry is also an important feature for comprehensive agricultural development projects and projects for supporting the poor to develop production. We should strengthen leadership, take effective measures, and ensure a coordinated development of agriculture, forestry, and animal husbandry. We should hasten the pace of afforestation, improve the quality of forests, and fulfill all the tasks stipulated in the program for afforestation and tree-planting, including artificial afforestation, aerial forest sowing, and cordoning off mountains for afforestation. Continued efforts should be made to attend to the major projects such as the "three north's" [Northeast, North, and Northwest China] shelterbelt, planting forests in the middle and upper reaches of Changjiang, and growing trees on the plains. We actively should plant timber forests, shelter-forests, economic forests, and fuel forests; tighten the management of resources and forest affairs; do a better job of forest protection; and strictly implement the quotas for tree logging. We should pay attention to developing the forest industry, promoting a diversified economy, and making comprehensive use of forest resources to give forestry greater vigor.

Comrades, this meeting will soon come to an end. After the meeting, party committees and governments at all levels should conduct more fruitful work to wrest this year's bumper harvest and ensure greater progress in the rural economy in the future. I believe that as long as we continue to implement persistently the party's basic line, unswervingly advance along the road of building socialism with Chinese characteristics, earnestly and resolutely implement the guidelines of the Seventh Session of the 13th CPC Central Committee, and do our work in a down-to-earth manner, we will show that China has great potential for agricultural development and that there are bright prospects for reaping a bumper harvest this year and climbing the next step in agricultural development.

### **Chen Jinhua Calls for New Economic System**

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[Text] According to the general requirement for building socialism with Chinese characteristics, the Proposals of the CPC Central Committee for the Drawing-Up of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development (hereinafter referred to as "Proposal") adopted by the Seventh Plenum of the 13th CPC Central Committee have set the targets and basic guiding principles for the next 10 years and the Eighth Five-Year Plan, put forth the scheme and measures for deepening the reform and expanding the process of opening up to the outside world and the general goal of basically establishing a socialist planned commodity economic system in 10 years. Now our priority task is to give shape to the plan on reform embodied in the CPC Central Committee's "Proposal" and have it implemented in our practical work.

### **Basic Goals and Guiding Principles of Economic Structural Reform in the 1990's**

The 1990's will be a very crucial decade in China's economic development. The Seventh Plenum of the 13th CPC Central Committee pointed out emphatically that in order to smoothly realize the second-step strategic goal of developing the national economy, it is of vital importance to continue to implement the reform and open policy in a steadfast manner. We must hold high the banner of reform and opening, combining reform with development, promote development with reform, deepen reform in the course of development, and facilitate a sustained, steady, and coordinated growth of the national economy. The "Proposal" adopted by the Seventh Plenum of the 13th CPC Central Committee, clearly points out: In the next decade, a new socialist planned commodity economic system will be initially established, and an economic operating mechanism which integrates the planned economy with market regulation will be built up as well. This is the basic direction and the general objective for deepening economic structural reform in the 1990's. With this general objective in mind, we should carry out the following five interrelated main tasks in the next five to 10 years:

First, we should establish an ownership system with socialist public ownership as the predominant force and diverse economic sectors developing alongside.

Second, we should establish a system of enterprises that will suit the development of a large-scale socialized

production. Except for a small number of noncompetitive enterprises, all enterprises should become competitive enterprises with the capacity for self-management, responsibility for profits and losses, self-development, and self-restraint. They should become commodity producers and dealers, imbued with vigor and vitality and operating according to standard procedures.

Third, we should establish a unified and open socialist market system with complete rules and regulations for fair competition. The prices of a few important commodities and services vital to the national economy and the people's livelihood will continue to be set by the state. Meanwhile, production and circulation of other commodities will be open and subject to market regulation under the guidance of planning.

Fourth, we should establish a two-tier macroeconomic regulation and control system at the central, provincial, autonomous regional, and municipal levels which combines direct and indirect regulation and control, with indirect and the central authorities' regulation and control as the main forms.

Fifth, we should establish a system for distributing individual incomes, with distribution according to labor as the main body supplemented by other distribution methods, and a social security system.

In accordance with the above demand, we should grasp five basic principles in reforming the economic structure in the 1990's. At the core of the principles is that throughout the entire process of reform, we should adhere to the basic line of building socialism with Chinese characteristics and the socialist orientation of reform, and should persistently proceed from China's national conditions in handling relationships between reform and development, between reform and opening up, and between reform and stability correctly.

—We should adhere to the socialist orientation of reform. In the days to come, in reform we should not only make sure that specific reformatory measures and methods adopted are scientific and feasible, but should also always stick to the socialist orientation of reform. As far as adherence to the socialist orientation in the reform of the economic structure is concerned, we should pay close attention to the following issues:

First, we should develop diverse sectors of the economy while upholding public ownership as the main form of ownership. We must persistently safeguard the leading role of the socialist public ownership, and make enterprises under the ownership by the whole people really serve as the backbone and basis of the socialist economy. To achieve this we must formulate some policies and measures so as to really ensure that the enterprises can operate on their own and assume full responsibility for their profits and deficits.

It is necessary to explore various effective forms for realizing socialist public ownership through reform. The state and various localities must create conditions in

their policies and investment environment for carrying out competition on an equal basis and must support the enterprises owned by the whole people to give play to their superiorities and play their leading roles. While appropriately developing the individual and private sectors of the economy and the "three kinds of partially or wholly foreign-owned enterprises," it is necessary to strengthen guidance, supervision, and management for them so their advantages can be developed and their defects can be overcome and so that they can really become helpful supplements to the socialist economy under the public ownership.

Second, we should develop various methods of distribution while upholding the method of distribution according to labor as the main form. At present, the distributions among the enterprises under different ownerships and among various trades are not fair enough. Within the enterprises, the phenomenon of "everybody eating from the same big pot" has not yet been eliminated. In some enterprises, egalitarianism has even been developed. In the future, it is necessary to make continuous efforts to improve the method of linking the total wage to economic returns in accordance with the principle of distribution according to labor and gradually adopt a system of distribution mainly based on technological skill, labor intensity, and contributions. In party and government organs and institutions, it is necessary to gradually establish a wage system in light of their specific characteristics, which is disconnected from the wage system adopted by enterprises. It is necessary to readjust the structure of wage income and gradually insert some subsidies in the nature of welfare into the basic wage through reform of the price, housing, medical, and insurance systems. It is necessary to practice a personal income declaring system and increase the transparency of personal income. Tax collection and control and the supervision by the industrial and commercial administrative departments over individuals engaged in industrial and commercial businesses and owners of private enterprises should be strengthened. The administrative and legal departments must establish an effective supervision mechanism, check their personnel strictly, and resolutely oppose the unhealthy practice of taking advantage of one's power to seek private gains.

Third, we should persist in taking the road leading to common prosperity. It is necessary to continue to implement the policy of allowing and supporting some individuals and areas to become prosperous before the others through honest labor and lawful businesses. Socialism does not mean poverty. Similarly, poverty of the majority with the few becoming prosperous does not spell socialism either. The lawful income of urban and rural residents must be protected. As to the unduly high earnings of some people, they should be appropriately readjusted by means of tax levy, such as the personal income regulation, the inheritance, and the giveaway taxes. The illegitimate earnings should be confiscated according to the law.



—We should persistently proceed from China's national conditions. Our country is a big country with a big population and is developing in the initial stage of socialism. It differs from foreign countries in many fields, including development level, economic structure, traditional culture, and so forth. We can take as our reference the advanced science and technology and the experience of organizing and managing socialized mass production; however, they must suit our national conditions and suit the actual demands of various areas and at various levels. We should not copy their experience mechanically.

In our country, economic development, especially the development of the commodity economy, is uneven in various areas. There are great differences among them, including the quality of cadres and social environment. This situation will continue to exist for a long time. Thus, in our reform, it is necessary to adhere to the principles of seeking truth from facts, proceeding from the reality in all cases, and not being overanxious for quick results. On the other hand, it is also necessary to pay attention to the changes in both the international and domestic situations so that we can understand the urgency of reform, enhance our sense of reform, take the difficult points in our economic life as the targets and subjects of our reform, and make positive explorations and bold practices to find a way out to overcome our difficulties through reform and to promote the sustained, steady, and harmonious development of our national economy.

—We should correctly handle the relationship between reform on the one hand and development and stability on the other. Reform is a powerful propelling force for social and economic development. Development hinges upon reform. The most important thing for realizing the second strategic target for economic development is to firmly, actively, and steadily promote reform of the economic structure. The final purpose of reform is to promote the development of social productive forces, to enhance the comprehensive national strength, and to improve the people's material and cultural life. Therefore, reform must be carried out in close conjunction with the strategy for economic development and must serve the purpose of development. In correctly handling the relationship between reform and stability, it is crucial to grasp the following three points: 1) In formulating a plan and program for economic reform, not only should we think of ways to solve deep-rooted problems and to realize intermediate and long-term objectives of economic development, but we should also take into consideration the practical environment and foundation provided by economic development. 2) In carrying out major reform measures and principles, we should thoroughly consider the capability of the state, enterprises, and individuals to withstand strain. At the same time, it is necessary to prepare corresponding supporting measures to ensure economic and social stability and avoid major social upheavals. It is necessary to strengthen ideological and political work,

give correct guidance through the media, and make the vast numbers of people understand and support reform. 3) In accordance with practical conditions, it is necessary to take prompt action to readjust and perfect reform measures now being implemented and to standardize and institutionalize them.

#### **The Basic Direction of Deepening Reform Is To Establish an Economic Operation Mechanism Which Combines Planned Economy With Market Regulation**

We should correctly recognize and continuously explore concrete ways and means for combining planned economy and market regulation in the course of practice. This is the central question of China's economic reform. Finding a proper solution to the question could not only guarantee our adherence to the socialist orientation, rational disposition of resources, and continual consolidation of the state economy, but also invigorate China's economy and improve its people's material and cultural living standards. Future reform measures should embody this general guiding principle, which represents the mainstream of the major goals, demands, and measures of reform.

The socialist economy of our country is a planned commodity economy based on the public ownership. Objectively, it demands the establishment of an economic operation mechanism which combines planned economy with market regulation. The main reasons are: First, planning and market are both means and forms of resources allocation, but they are not symbols for distinguishing between socialism and capitalism. Planning exists under capitalism, and market exists under socialism. If there is no market under socialism, the commodity economy will not be developed and a prosperous economic situation cannot appear. The people's material and cultural life cannot be improved, and we can only stay in a backward situation. Second, the essential difference between socialism and capitalism lies in the different ownerships. The basis of socialist planning and market is the public ownership of the means of production. It enables the national economy to develop in proportion and in a planned way; however, only by combining planning with market in an organic way and giving full play to their specific advantages and strong points can we turn this possibility into reality and give full play to the superiority of the socialist system. Third, the basis for combining planning with market is the commodity economy; however, planning and market are the internal demands of the development of the socialized mass production and the commodity economy. The planning we are talking about here is not the one mainly relying on administrative means and excluding the role of market mechanism, but the one conforming with the demands of developing the commodity economy and respecting the law of value. The market we are talking about is not the one in an anarchist state without control but the one that is in good order and is guided, regulated, and controlled by the state planning. The combination of planning and market is not a partial combination. It covers the whole course of

social reproduction. The range and degree of this combination are not unchangeable but are always changing in different stages of economic development along with the development of market.

Judging from the current situation, the main problem in combining planning with the market lies in the planning. We should reform and improve the system of planned management so it will correctly reflect the objective economic laws, especially the law of value. The main tasks of the state's planned management are to define reasonable strategies and plans for national economic development; to draw up correct industrial policies, regional policies, and national economic policies; to set the rate of economic growth, scale of investment in fixed assets, volume of currency issued, price index, and foreign exchange rate; to ensure a comprehensive balance of the national economy; and to apply supplementary economic, legal, and administrative means to guide, regulate, and control economic operations in a comprehensive manner. In other words, the state's planned management and guidance will cover mainly the areas related to the development goal of the national economy, its overall control and structure, disposition of productive forces, and major economic activities that are vital to the national interests; while day-to-day production and management activities and general transformation projects needed to upgrade the technology of enterprises will be adjusted by the enterprises themselves according to market demand. Judging from the direction of development and the trend of reform from now on, the scope and proportion of mandatory plans will be appropriately reduced, while the proportion of guidance plans and market regulation will be gradually expanded.

In the course of China's socialist construction, the combination of planned economy with market regulation into an organic whole will be a historical process which cannot be accomplished in one move. It is necessary to create fundamental conditions for this process by deepening the reform. To create such fundamental conditions is, in fact, an important task in deepening future reforms.

First, we should establish a scientific and effective system for balancing the total supply and demand. The key problem is to correctly handle and harmonize the relationship between planning, finance, and monetary affairs so a realistic system for balancing the total supply and demand, a strict system for their mutual conditioning and restriction, and a flexible and effective system for harmonizing their division of work can be gradually established.

Second, we should reform and perfect the planning system and methods. Practice proves that in planning and management, it is necessary to attach importance to the law of value. Planning should cover both the state-owned and collective enterprises and both the projects under and not under the state budget and planning, so planned economy and market regulation can really be combined into an organic whole. In accordance with the orientation pointed out by the Seventh Plenum of the

13th CPC Central Committee, on the premise of exercising strict control over the general social demand, it is necessary to gradually reduce the range of mandatory planning and combine guidance planning and economic policies with the use of economic levers, so planning can be made on the basis of the law of value and become more scientific and effective. It is necessary to make continuous efforts to improve planning and management and the mechanism for promoting the combination of planned economy and market regulation.

Third, we should foster a socialist market system and reform the price mechanism. Market is the outcome of social division of work and commodity production. Without market, the planned regulation and control will lose their objective basis and the law of value cannot work. Therefore, while strengthening and improving planning and management, it is necessary to solve the problem of separation among various departments and localities and actively foster, open up, and develop all kinds of markets, especially the commodity market, financial market, and the markets of other major production elements, under the unified market of the state. These markets will have their specific characteristics and will supplement each other. It is necessary to establish a system of market regulation foundation and strengthen market guidance, regulation, and control to ensure the healthy development of the commodity and materials markets. On the basis of rationalizing price relations, it is necessary to gradually establish a price mechanism, under which the prices of a small number of products which have an important bearing on the national economy and the people's livelihood and on the overall development are controlled by the state while the prices of the majority of products are formed in the market. In modern economic operations, money is the main medium for circulation. Therefore, it is necessary to continuously expand and perfect the short-term financial market and gradually develop a long-term financial market. While expanding indirect accommodation of funds, it is necessary to develop various forms of funds accommodation, such as issuing bonds and shares in a planned way, increasing housing deposits and mortgages, and developing old-age pension and commission investment.

Fourth, we should establish a competitive enterprise management mechanism of survival of the fittest. Enterprises are the main body of production and operation. The last places where planning and market play their roles are in the enterprises. Without an enterprise operation mechanism capable of making correct and flexible responses toward planning and market, the combination of planning and market into an organic whole will become a mere empty talk. Therefore, it is necessary to gradually standardize the relationship between the state and the enterprises in the fields of distribution and management and realize the separation of government administration and enterprise management so that the enterprises can really become independent commodity producers and so that an operation mechanism can be established, which is characterized by the enterprises carrying out independent management and assuming

sole responsibility for their profits or losses and by the self-development and self-restriction of the enterprises.

Fifth, we should correctly differentiate the economic relations between the central and local governments and transform their managerial functions accordingly. According to the principle that the financial power and the management power should suit each other, it is necessary to define the range of revenue and expenditure of both central and local authorities and their respective investment policy making power. It is necessary to gradually establish a macroeconomic regulation and control system, under which indirect regulation and control is combined with direct regulation and control, with stress on the former, and the regulation and control by the central authorities is combined with the regulation and control by the provincial authorities, with stress on the former. The governments at all levels must improve their management of economic affairs. They must change their past practice of giving priority to making decisions on the distribution of funds and materials and some concrete construction projects to a practice of giving priority to overall planning, harmonizing, service, and supervision. Toward the enterprises, they must change from the practice of giving priority to direct regulation and control to giving priority to indirect regulation and control.

**Successfully Carry Out Various Macroeconomic Reform Measures Focused on the Invigoration of Enterprises, Especially Large and Medium-Sized State Enterprises**

Invigoration of state enterprises, especially large and medium-sized enterprises, has always been the central link of the entire economic structural reform.

The goal and main tasks of enterprise reform in the 1990's are to continue to adhere to the principle of separating government administration from enterprise management and ownership from managerial power, enable enterprises to gear to market demands and exercise self-management under the guidance of state plans and industrial policy, and gradually establish the operating mechanism commensurate with the planned commodity economy and modern enterprise management so state enterprises can really become the producers and dealers of socialist commodities with the capacity for self-management and responsibility for profits and losses.

To sum up, the basic tasks for invigorating the state-owned enterprises, the large and medium ones in particular, include the following: First, deepen enterprise reform, sum up the successful experience regarding systems and mechanisms, seek effective methods to improve and develop the enterprise responsibility system with the commencement of a new round of managerial contracts, and rationalize the relationship between the leading and income distribution systems within enterprises. Efforts should be made to strengthen enterprise management, motivate technological advance, improve enterprises' quality in every respect, raise their ability to deal with contingencies, and bring

into full play the initiative of both the management and producers. Second, the government at all levels should create favorable conditions for enterprise development, delegate to enterprises the policies and rights authorized by the state and stipulated in the "Enterprise Law," resolutely curb the exaction of charges and all kinds of inspection under various excuses, and alleviate the burden of enterprises so that enterprise leaders can focus their attention on developing production, operation, and technology. Third, we should achieve a balance between aggregate demand supply, improve the macroeconomic environment, maintain a steady economic growth, ensure that enterprises enjoy the decision-making powers in determining prices and marketing their products, make better use of the essential production factors offered by the state to develop new technology, products, explore markets at home and abroad, carry out competition in the face of the market and customers, and continuously increase their vitality and adaptability amid the competition.

Enterprise reform should be focused on implementing the decision-making powers of production and operation; changing the mechanism; facing the market and customers; and, in the field of material and spiritual management, establishing an effective mechanism which can stimulate technological progress, develop new technologies, reduce material and energy consumption, and increase efficiency. It is necessary to continue to uphold and perfect the enterprise contracted responsibility system, the system of factory director (manager) assuming sole responsibility, and the enterprise internal economic responsibility system; promote the rational flow of essential production factors between enterprises; encourage enterprises to contract, lease, and merge one another and develop lateral associations; and develop enterprise groups in a planned and step by step manner. Through these reforms, we should increase efficiency in structural readjustment and promote a rational flow of essential production factors, technical transformation, technological progress, and enterprise management.

The deepening of enterprise reform involves a number of external factors. Apart from the reforms of planning, price, and circulation systems mentioned previously, the state will comprehensively reform the investment, financial, monetary, taxation, labor and wage, and social insurance systems to create fine macromanagement conditions and external environment for enterprises to establish an operation mechanism for independent operation, assuming sole responsibility for their profit and loss, self-development, and self-restraint.

—Deepen the reform of the investment structure.

Regarding the investment projects, it is necessary to continue to implement and perfect the public bidding system. As for the ordinary construction and technical transformation projects, investors may make decisions of their own within the scope of investment stipulated by the state. At present, it is necessary to coordinate with the technical transformation of the state-owned enterprises, the large and medium ones in



particular, and appropriately adjust the ceiling set for investment and the procedures for examining and approving investment involved in these projects so as to meet the needs of invigorating the large and medium size state-owned enterprises.

—Deepen the reform of the banking system. Under the State Council's leadership, it is necessary to further enhance the functions of comprehensive control and regulation of the central bank. We should gradually establish an enterprise operation system which integrates independent operation of the special bank with a risk-minimizing mechanism, and explore the system which separates management of the banking businesses of a policy nature from those of an operational nature. The banks should develop all kinds of savings businesses to serve the social insurance system, and attract more capital to serve the state's key construction projects. At present, all the special banks should make strenuous efforts to help enterprises tap their capital potentials, make good use of reserve funds, continue to settle triangle debts, reduce overspending of working capital, improve the settlement method, and ease their capital shortages.

—Deepen the reform of the financial and taxation system. The main tasks of the financial reform during the Eighth Five-Year Plan include: stabilize and perfect the existing financial contract system; and step up efforts to establish separate budget systems for central organs and for provinces, municipalities, and autonomous regions. Regular revenues and expenditures should be separated from those in connection with construction projects. We should uphold the principle that the regular budget show no deficit, but a little surplus, while the construction budget may have a deficit. The construction budget deficit should be made up by such methods as issuing bonds rather than overdrawing from the bank. If bonds are issued, the debt-repayment capacity should be fully considered. Besides, in coordination with the price system reforms, the grain procurement and marketing system, and the social insurance system, we should gradually reduce the various subsidies so as to lighten our financial burden. The main tasks of taxation reform include: Gradually unify tax policies, centralize tax powers, ensure fairness of the tax burden, and simplify the tax system. In the field of industrial production and commercial wholesale, it is necessary to spread the implementation of increment taxes, merge the grades of increment tax rates, gradually unify the income tax system of various economic sectors, expand the scope of resource taxes, and create conditions for enterprises to enter into fair competition.

#### **Accelerate the Pace of Reforming the Housing and Social Insurance Systems**

The reforms in the following three fields should be given an important place in the next decade: First, reform of the housing system; second, reform of the social insurance system; and third, reform of the medical care

system. The reforms in the three fields are related closely to the people's vital interests and to social, political, and economic stability and development.

The reform of the housing system, which has a strong policy and mass nature, is a major event which covers much ground. The housing system reform will be conducive to attaining the comparatively well-off target at an early date, readjusting the industrial structure, promoting the market, and regulating and guiding consumption. We must deepen our understanding, speed up the progress, and do a good job of reforming. All localities should suit measures to local conditions, sum up experience, adopt various means, and carry out the reform in a vigorous and steady manner.

In recent years, a total of 19 cities, including Yantai, Tangshan, Bengbu, Shenyang, and Chengdu, and some 30 counties, including Doumen, have introduced reform of the housing system one after another in line with local conditions. In addition, more than 200 cities and counties carried out various forms of reform experiments related to housing. We should sum up experience, study and coordinate relevant policies, and make joint efforts with the localities to accelerate housing reform.

During the Eighth Five-Year Plan, the following work should be done well in housing reform:

—Reasonably readjust the rent of public housing and duly increase the proportion of rent in workers' expenses for living. On the basis of unifying the rent of public housing, all cities and towns should raise rents step by step to a level that at least includes the three factors of depreciation, maintenance, and management charges and strive to reach the cost of rent which includes investment interests, real estate taxes, and the three factors. When rents are raised, all localities may issue housing subsidies to workers residing in public houses in light of the principle of "increase for overpayment or supplemental payment for deficiency." Supplementary reforms of wages and the insurance system for the elderly should be introduced and gradually linked with the workers' payroll and pension. Additional charges should be imposed on housing space which exceeds standards.

—Continue to encourage workers to purchase public housing units. Preferential prices will be offered to the housing area which is within the state's standard while market or guidance prices will be available for areas exceeding the standards. Regarding those with high incomes, guidance or market prices will apply.

—Reform the housing investment and construction system. In light of the principle of "unified planning, design, requisitioning of land, mustering of funds, construction, and management," it is necessary to establish and develop low-cost commercial housing companies, vigorously develop housing cooperatives, encourage workers to join various forms of funds pooling for building houses, and give priority to families with housing difficulties. The government at all

localities should make comprehensive arrangements for requisitioning land, planning, building materials, credit, taxation, and basic facilities and for coordinating reforms. The transformation of old urban areas and development of new ones should be carried out in combination with housing reform. To further expand housing construction, we should implement the policy of the state, the collective, and individuals reasonably sharing the funds to be mustered.

—Gradually establish a housing fund system at various levels. With the participation of financial departments at the same level, the funds involved in housing construction, operation, and inhabitants' housing consumption should be centralized, assessed separately, channeled to a housing fund, and used in an overall manner. Where conditions permit, the cities and towns can establish an accumulation fund, which will serve as a component part of the workers' housing fund. The government at all levels should deposit the money earned from the selling of public houses to a financial organ designated by the local government, which will be regarded as a housing fund and used for housing construction and maintenance.

—While promoting reform of the housing system, it is necessary to introduce reform of the housing financial system, which includes establishing and perfecting the individual savings for housing and the housing credit system, implement the system of purchasing houses on mortgage, and encourage workers to buy and build houses by offering preferential interests on credit and repayment terms. In large and medium cities, where conditions permit, experiments should be conducted to establish housing savings banks.

The reform of the social insurance system mainly includes insurance for the elderly, medical service, unemployment, and industrial injuries. At present, the main problems in social insurance reform include: First, limited coverage and a low level of socialization; second, state "monopoly" and a limited source of funds; and third, an improper management system. In view of these problems, it is necessary to carry out reform and gradually establish a highly socialized insurance system with perfect regulations.

Regarding old-age insurance for staff members and workers of state-owned enterprises, an individual insurance system may be introduced while efforts are being made to improve the current system covering the entire society. Under the individual insurance system, premiums should be paid by both the individuals and their work units at a certain ratio, and the part contributed by the individuals should be gradually increased with the raising of their wages. For staff members and workers of various collectives in cities and towns, we should set up a dual old-age insurance system combining the social annuity system for the elderly and the individual old-age pension savings deposit system. Contributions by the three kinds of foreign-funded enterprises and their workers should be higher than the amount contributed

by workers from other economic sectors. Regarding industrial and commercial businessmen and the employer and employees of privately owned enterprises, it is necessary to establish an insurance system which combines individual account savings accumulation with mutual aid funds, of which the premiums are totally contributed by the individuals. As for township enterprise peasants and workers, the rural insurance system, which includes self-insurance and collective subsidies, with stress on the former, should be implemented. With the reform of the labor system and optimum organization of labor, the coverage of unemployment insurance should be gradually extended from contract workers of state-owned enterprises to all workers of state-owned enterprises, collective enterprises, and enterprises of other economic sectors. The employing units should pay premiums at the beginning. As time passes, however, the system should be gradually changed to require both the employing units and the individuals to share the premium payment.

The road of social insurance should be taken for the reform of the medical care system. Premiums for medical insurance should be shared by the state, enterprises, and individuals at a certain ratio.

#### **Strengthen Party and Government Leadership Over Reform, Carry Out Overall Planning, and Coordinate Well With Each Other**

To ensure the socialist orientation of reform and smooth implementation of various reform measures, it is necessary in the 1990's to strengthen leadership over reform and make overall plans.

First, strengthen party and government leadership over reform work and do a good job in the overall planning of major reform measures.

The CPC Central Committee and State Council have shown great concern for and attached importance to reform work. Premier Li Peng pointed out: The purpose of the State Commission for Restructuring Economy designating a full-time minister is to strengthen the commission's work. The commission will still be under the premier's direct leadership. The State Council has recently decided that the commission will implement a committee system. Apart from the minister, deputy minister, and a small number of full-time members, the committee will be composed of members, one each designated respectively from the State Planning Commission, Finance Ministry, the People's Bank of China, the State Council's Production Committee, Labor Ministry, and State Price Bureau, who will assume the deputy post in charge of reform work. The committee will be responsible for examining the major issues concerning economic restructuring reform, doing a good job of overall planning and convergence, and making proposals for the State Council's policy decisions. This is another important measure adopted by the State Council to strengthen leadership over reform work and overall

coordination. During the past 12 years, the party committees and governments at all levels have done a great deal of work in leading and supporting the reforms. Principal leading comrades have paid personal attention to reform work, placing it high on the work agenda of party committees and governments. As functional organs of the government for making overall plans for reform, the structural reform departments at all levels cannot carry out work without the leadership and support of the party committees and governments. A number of provinces and cities have clearly stipulated that the major reform measures should be coordinated comprehensively by the structural reform departments before they are submitted to the provincial and city governments for approval. Following approval by provincial and city governments, the departments responsible for structural reform should make concerted efforts with the departments concerned to implement them. The structural reform departments at all levels should pluck up their spirits and take the initiative to exercise leadership over reform work on behalf of the local party committees and governments. They should strengthen contacts with the departments concerned, do more work, make overall plans for major reform measures, and act as good advisers and assistants to the local party committees and governments.

Second, strengthen overall planning and coordination in conducting urban and rural reforms. The State Commission for Restructuring the Economy's work covers not only urban but also rural reform. It is one of the commission's new tasks to take charge of rural reform. Making overall planning for and coordinating urban and rural reforms will also be one of the new characteristics of the commission's future work. The structural reform organs at all levels should meet the demand of their new functions, strengthen contacts with the departments concerned, carry out overall planning for both urban and rural reforms, and do a good job in coordinating the work in these two fields. We should maintain the continuity and stability of the major rural reform policies, set the household contracted responsibility system with payment linked to output as a long-term basic system in the rural areas, and continue to perfect it. On this basis, it is necessary to develop a socialized service system and perfect the two-layer operation system which combines centralization with decentralization. We should maintain stability of the policies for township enterprises, improve the environment for their operation, strengthen guidance over their industrial policies and planning, improve the enterprises and cadres, and ensure that rural reform will develop more vigorously and healthily.

Third, conduct well tests at selected points and make experiments for the major reforms. The tests at selected points for overall, major reforms should be proposed by the State Commission for Restructuring the Economy, departments concerned of the State Council, or the people's government of the provinces, autonomous regions, municipalities, or cities concerned. When the State Council approves the plan made through concerted

efforts, it should be implemented by the local people's government or competent departments with the coordination of the departments concerned of the State Council and guidance of the State Commission for Restructuring the Economy. The five special economic zones, including Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan, and the two provinces of Guangdong and Fujian selected to undergo comprehensive reform and opening up experiments should deepen their reform experiments. They should take the lead in establishing an export-oriented economic operation mechanism and a commodity economic management system which are up to international standards. They should sum up and accumulate new experience in institutionalizing and standardizing reform and establishing a new socialist commodity economic system. Apart from the tests and experiments conducted in the special economic zones and comprehensive reform experiment regions, where conditions permit, the departments concerned should coordinate with each other to continue the various reform experiments in a planned manner and under proper leadership. These include: "separation of tax payment and profit delivery, after-tax loan repayment, and after-tax contract execution," the shareholding system, and the tax revenue-sharing system. Under the guidance of the cardinal policy of reform and opening up, the special economic zones, comprehensive reform experiment regions, and economic and technological development areas should enjoy a greater right to conduct test reforms and show a greater degree of ideological emancipation. They should be allowed to carry out experiments as well as to succeed and make mistakes in the experiments. It is necessary to continuously sum up experience, do well the experiments, and create conditions to spread them so that the feasible achievements of reform can be extensively applied and can turn out marked results at a wider scope.

Fourth, strengthen ideological and organizational building of the structural reform departments at all levels. Under leadership of the party committees and governments, the structural reform departments are functional organs responsible for overall planning, coordinating, and guiding urban and rural economic reform; promoting enterprise reform; and experimenting and spreading the major reform measures. To meet the new situation of reform and opening up and properly perform their functions and tasks, the structural reform organs at all levels should strengthen their ideological and organizational building, and make efforts to build up a contingent of structural reform workers who are determined to carry out reforms and revitalize the Chinese nation, who are good in political and ideological aspects, who are professionally proficient, and who can work in a down-to-earth manner.

#### **Discusses Invigorating Enterprises**

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[Report by staff correspondents Dong Ruisheng (5516 3843 3932) and Ling Wancheng (0109 1346 2052):



"Chen Jinhua, Minister of State Commission for Restructuring Economy, Interviewed on Invigorating State-Owned Large and Medium-Size Enterprises"; first paragraph is editor's note—place and date not given]

[Text] Invigoration of the state-owned large and medium-size enterprises constitutes the central link of China's economic structural reform during the Eighth Five-Year Plan. How should the large and medium-size enterprises be invigorated? During an interview with correspondents of LIAOWANG OVERSEAS EDITION, Chen Jinhua, minister of the State Commission for Restructuring Economy, made detailed expositions on the question.

Chinese party and government leaders attach great importance to the vitality of state-owned enterprises, large and medium-size enterprises in particular, and have emphasized on numerous occasions that they constitute an important pillar of China's modernization program, the main source of social wealth, and the basic component parts of the social economy. It is indeed important to invigorate the large and medium-size enterprises so that they have vitality and new infusions and will not become old and feeble. This will be of great significance to maintaining steady economic development, improving the people's living standards, enhancing overall national strength, and consolidating and perfecting the socialist system.

Chen Jinhua, minister of the State Commission for Restructuring Economy, told us: During the Eighth Five-Year Plan and the entire 1990's, the key link of China's economic structural reform is to comprehensively improve the economic efficiency of enterprises, the large and medium-size state-owned enterprises in particular, and enhance their staying power so that they can be genuinely invigorated.

[LIAOWANG] Could you describe the main target and tasks of invigorating enterprises, the large and medium-size state-owned enterprises in particular?

[Chen Jinhua] I have always upheld the viewpoint of relying on enterprises, particularly relying on and giving full play to the role of the large and medium-size state-owned enterprises, determining their essential position, and paying attention to their role. I made such an appeal in LIAOWANG OVERSEAS EDITION two years ago. In this regard, all the developed countries in the world concentrate their energy to support and build up these enterprises so that they can become an important component part of their comprehensive national strength.

In invigorating enterprises in China, the party and government made a series of important decisions, particularly the "Enterprise Law." New policies and measures are now required to invigorate enterprises. In my opinion, the most important thing is to implement the "Enterprise Law" and ensure enterprises' rights of independent operation. Of independent operation, self accumulation, self development, and self restraint, the most important one is independent operation. Without this

point, the other three factors will be like rivers without a source; however, it is precisely on this point that many enterprises were interfered with and restricted in many fields. As they cannot carry out independent operation and be masters of their own affairs, and their enthusiasm is not aroused, how then can we talk about invigoration?

[LIAOWANG] The public is deeply worried about the current state of China's large and medium-size enterprises. The budgets of large and medium-size enterprises have suffered huge deficits; deficits have been incurred in the whole trade of petroleum and coal; the productive forces of the machine-building industry remain idle; and it has been difficult for the light and textile industries to accept the price increases in raw materials. Could you explain how the state-owned enterprises, large and medium-size ones in particular, can be invigorated?

[Chen Jinhua] How should the large and medium-size enterprises be invigorated and how should we extricate ourselves from the difficulties? I suppose there are the following few basic points:

First, deepen enterprise reform and sum up the successful experience from the structure and mechanism. It is worth spreading the good, successful experience of a number of localities. For example, the experience of the Wuhan Iron and Steel Complex in paying attention to quality and efficiency, the experience of the Shoudu Iron and Steel Complex in making the "cake larger" through contract, independent operation, and technical transformation, and the experience of the Shanghai No. 2 Textile Mill and Dalian Refrigerator Plant in changing the mechanism through reform, developing new products, and expanding exports. They have all focused attention on effecting a change in mechanism and carrying out independent operation. During the Eighth Five-Year Plan, most of the enterprises should continue to implement the contracted economic responsibility system. It is necessary to coordinate the relations between the leadership system and distribution within enterprises, improve the managerial level of the existing enterprises, enhance enterprise quality and adaptability, and promote technological progress. To invigorate enterprises, it is necessary to have an incentive mechanism. The incentive mechanism of enterprises should include material and spiritual incentives, as well as the incentive means aimed at promoting optimization of essential production factors. Whenever invigoration and the establishment of an invigoration incentive mechanism are mentioned in these years, they are simplified and a number of enterprises have developed the following formula: Incentives—bonus—invigoration. Material incentives alone are not enough. We must establish and perfect the spiritual incentive mechanism so that people have ideals and the spirit to forge ahead. The role of the essential productive forces has been neglected in recent years. Instead, the attention is focused on distribution and production relations. If this state of affairs continues, the progress of production and technology will be slowed down and the staying power for enterprise development will be exhausted. A comparison shows that almost all

the large, successful enterprises abroad have their "enterprise purpose." Some call it "enterprise philosophy" while we term it "enterprise spirit." All this is aimed at fostering a sense and the spirit of urging workers to forge ahead. We should foster a sense of workers sharing the weal and woe of enterprises. With this spirit, it will be possible to carry out enterprise reform, establish the distribution system of encouraging the advanced, pushing forward the backward, and letting the best survive, and continuously enhance the infusion process.

I would like to emphasize a question here—that is, invigoration of enterprises should not be limited to industrial and transportation enterprises. It should include all kinds of enterprises distributed in society, the enterprises in the circulation field in particular. Whether these enterprises are invigorated will be very important to production and consumption. Hence, we should deal with the social economy as a whole while studying the question of invigorating enterprises. Invigoration of enterprises will be conducive to properly integrating a planned economy with market regulation.

Second, the government at all levels should create favorable conditions for enterprise development, offer to enterprises the policies and rights authorized by the state and stipulated in the "Enterprise Law," resolutely curb the exaction of charges and all kinds of inspection under various excuses, and alleviate the burden of enterprises so that enterprise leaders can concentrate their energy on production, operation, and technological development. Now most of our enterprises bear a heavy burden and an increasing number of enterprises are involved in running social undertakings. Some localities stress doing things for the masses which are beyond their ability. As a result, the responsibility is shifted onto enterprises, particularly those with better economic returns. The heavy burden on enterprises has resulted in the negative effect of "whipping the ox which is already quick." The government and society should be considerate of enterprises, support them, and help them overcome difficulties from various aspects so that they can seek further development. So long as enterprises have developed and economic efficiency increased, there will be more additional taxes for urban construction and education. Conversely, a drop in enterprise production and efficiency will result in another vicious cycle.

Third, do a good job of overall balance, improve the macroeconomic environment, and maintain steady economic growth so that enterprises can enjoy their due decisionmaking rights in prices and sales of products. All this directly involves the question of doing well reforms of the macroeconomy. In the coming decade, the state will introduce major reforms in the fields of planning, finance, banking, taxation, prices, circulation, investment, labor, wages, and social insurance system in a planned and step by step manner. The purpose is to create fine macromanagement conditions and external environment for enterprise independent operation. For example, in coordination with technical transformation of the state-owned enterprises, large and medium-size

ones in particular, it is necessary to duly adjust the investment ceiling and the system for examining and approving projects to meet the needs of invigorating the large and medium-size state-owned enterprises. In finance, all special banks should make efforts to help enterprises tap potentials and make good use of the reserve funds. Meanwhile, it is necessary to continue to settle the triangle debts and allow enterprises to increase efficiency and attain better results in use of capital.

[LIAOWANG] Large numbers of enterprise groups have emerged in China during the Seventh Five-Year Plan. The maturity of a number of these enterprise groups has manifested their overall superiority and competitiveness in the international market. What, then, is the state's new consideration of this matter during the Eighth Five-Year Plan?

[Chen Jinhua] In light of the requirements of economic development, the state's industrial policies, and optimum organization of production factors during the Eighth Five-Year Plan, a number of new enterprise groups will be established, which will become competitive economic entities transcending regions and departments. These constitute the important contents of economic structural reform in the course of deepening enterprise reform. At present, we should take note of not rushing headlong into mass action, still less return to the old administrative management system under the excuse of developing enterprise groups. Relevant conditions are required for the development of enterprise groups: First, enterprise groups must be composed of a number of independent enterprises or institutions rather than a single large enterprise. Second, an enterprise group must have an organizational structure composed of various layers: A tight layer of the core, a semi-tight layer, and a loose layer. Third, an enterprise group must be a corporation which does not have any administrative management functions. Fourth, the members of an enterprise group should be connected by various kinds of ties focused on assets, which form an organic whole. The main purpose of developing enterprise groups is to promote readjustment and an optimum structure, organize and make comprehensive use of the optimum distribution of resources, upgrade the level of specialization, and develop enterprise economy of a scale. At the same time, it is necessary to promote rational flow of production factors, make use of the strong points to make up the deficiencies, and give full play to the role of the existing productive forces. The development of enterprise groups is tantamount to promoting the combination of scientific research and production, increasing the capacity to develop new products and technology, meeting the changes of the markets at home and abroad, and increasing the competitiveness in the international market, which will be conducive to guiding the planned economy and accepting the state's macro-control and regulation. In a word, we should make strenuous efforts to establish, develop, and perfect the existing enterprise groups, expand the core of the groups, enhance the tight layer, and strengthen the ties so as to give better play to their practical role.

### East Region

#### Shen Daren Addresses Jiangsu CPPCC Session

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[Text] The Fourth Session of the Sixth Jiangsu Provincial Chinese People's Political Consultative Conference [CPPCC] Committee opened in Nanjing yesterday morning [8 March].

Chairman Sun Han and Vice Chairmen Luo Yunlai, Chen Minzhi, Chen Suiheng, Liu Xinghan, and Zhang Chenhuan of the provincial CPPCC committee attended the session. The session was presided by Luo Yunlai.

Ding Guangxun, vice chairman of the CPPCC National Committee; Jiang Weiqing, member of the Central Advisory Commission; leading comrades of the provincial party committee, Advisory Commission, People's Congress Standing Committee, government and Discipline Inspection Commission, Shen Daren, Han Peixin, Chen Huanyou, Zhou Ze, Sun Jiazheng, Cao Keming, Li Zhizhong, Xing Bai, Zhang Yaohua, Tang Nianci, Wu Xijun, and Ji Yunshi; and old comrades who once led the provincial CPPCC committee, Qian Zhonghan, Gong Weizhen, Wei Yongyi, Zhu Hui, Hua Chengyi, Chen Yusheng, Ouyang Huilin, Deng Haoming, Gao Juefu, and Cheng Bingwen, were present to convey their congratulations.

Shen Daren, secretary of the provincial party committee, made an important speech at the opening ceremony. First, he extended his warm congratulations on behalf of the provincial party committee. He said: The holding of the fourth session of the sixth provincial CPPCC committee will further mobilize CPPCC committees at all levels, their members, the democratic parties, the mass organizations, and people from all walks of life in Jiangsu to work hard to make a success of this year's tasks, and to accomplish the second phase of the strategic goal in the socialist modernization drive.

After briefing the session on the objectives for the coming 10 years and the principal tasks for the present moment, Shen Daren noted: Regardless of implementing the 10-year development program, the Eighth Five-Year Plan, or the tasks for this year, we must rely on the concerted efforts of all people in Jiangsu, unite forces from all sides, and arouse all positive factors, including the full role played by CPPCC committees at all levels and all CPPCC members. The CPPCC committee is the broadest of the patriotic united front work organizations. It is an important form of political organization for realizing multiparty cooperation and political consultation under the leadership of the Communist Party. It is an important channel for promoting socialism and a high-level receptacle of knowledge. To fulfill the tasks set forth by the Seventh Plenary Session of the 13th CPC Central Committee and to accomplish the second phase of the strategic goal in the socialist modernization drive, we cannot dispense with the important role played by the CPPCC committees. Doing a good job in CPPCC work

will further strengthen unity and cooperation between the various parties, under the leadership of the CPC, to work together with one heart and mind for the cause of the social modernization drive, promote socialist democracy more extensively, and modernize and democratize the process of decisionmaking on major issues. We can organize and coordinate the members from all walks of life in the CPPCC committee, and take advantage of their intelligence to contribute to the building of a materially and culturally advanced society. We can also make full use of the overseas connections of CPPCC members to advance the cause of reunification of the motherland under the principle of "one country, two systems." Given the new situation and mission, the work of the CPPCC committee, in general, has become more important. We must always uphold and perfect the system of multiparty cooperation and political consultation under the leadership of the CPC, fully recognize the important status and role of the CPPCC committee during the new era, and do a better job in CPPCC work.

Shen Daren said: During the last few years, CPPCC work in Jiangsu has achieved tremendous success, and has played an important part in building a materially and culturally advanced society, socialist democracy, and the legal system. CPPCC committees at all levels have also strengthened efforts to improve themselves.

Shen Daren expressed his expectations for the provincial CPPCC committee and its members. He called on them to make serious efforts to study and implement the guidelines of the seventh plenary session; to help CPPCC committees at all levels, their members, democratic parties, and patriots without party affiliation to arrive at a consensus on the guidelines of the seventh plenary session; to guide CPPCC work with the guidelines of the seventh plenary session; to work hard to improve conditions for taking part in government and political affairs, and mobilize CPPCC members to publicize the basic guidelines of the seventh plenary session when they come into contact with the people; and to mobilize and unite all positive factors to work for accomplishing the second phase of the strategic goal. He said: The current session will discuss the outline of Jiangsu's 10-year economic and social development program and the Eighth Five-Year Plan. I hope all members will air their views freely, and put forward more ideas and suggestions, so that we can make our 10-year development program and the Eighth Five-Year Plan a greater success. He also stressed the use of all channels to promote reunification of the motherland.

Shen Daren pointed out: We must strengthen the function of the CPPCC committee in political consultation and democratic supervision. The CPPCC committee must hold political consultation on major policies, political life, economic and social development, and reform and opening to the outside world in the country and Jiangsu, and exercise supervision over implementation of the Constitution and laws, as well as the work of state organs. It must organize its members to reach deep into reality and the people, listen to the views, calls, and



requests from all sides, and promptly and truthfully report them to the party committee and government, via CPPCC organizations, in order to widen the avenues of socialist democracy.

Shen Daren noted: It is the important responsibility of CPPCC committees at all levels and their members, as well as party committees at all levels to ensure the success of CPPCC work. Party committees at all levels must strengthen leadership over CPPCC work, truly place work in this regard on their agenda, frequently listen to work reports by the leading party groups in CPPCC committees, and regularly examine and inspect CPPCC work. Before making important policy decisions, party committees and governments at all levels should consult CPPCC committees whenever necessary, and listen frequently to the views and suggestions of CPPCC committee members after decisions have been made to ensure their propriety and proper execution. To better exercise the role of democratic parties in political consultation, the CPPCC committee must create better conditions for them to take part in government and political affairs.

Sun Han delivered the work report of the Standing Committee of the sixth provincial CPPCC committee at the session. He dwelt on three aspects, while reviewing past work. They are: To make serious efforts to study CPC Central Committee's "Suggestions on Upholding and Perfecting the Multiparty Cooperation and Political Consultation System Under the Leadership of the CPC" and "Circular on Strengthening United Front Work," in order to heighten awareness, reach a consensus and enhance the sense of responsibility of CPPCC members and CPPCC committees at all levels; to exercise the basic function and role of CPPCC committees by improving the standard and effectiveness of supervision by CPPCC committees; and to improve the organization and setup of the CPPCC committee itself. Regarding future tasks, he stressed that top priority be accorded to the in-depth study and implementation of the guidelines of the seventh plenary session, and that CPPCC activities should focus on this year's undertakings of the provincial party committee. The CPPCC committee should give full play to the role of democratic parties and mass organizations in political consultation, and step up its regular contacts with members. He also set out explicit demands to improve the CPPCC committee itself.

Sun Fuzhong, chairman of the Motions Committee of the provincial CPPCC committee, delivered a report on work related to motions since the third session of the sixth provincial CPPCC committee.

Before the opening ceremony, Luo Yunlai chaired the preparatory meeting of the fourth session of the sixth provincial CPPCC committee, which adopted the session's agenda.

### Attends Youth Society Inauguration

OW1903081591 Nanjing Jiangsu Provincial Service  
in Mandarin 1015 GMT 18 Mar 91

[By station correspondent (Jian Zaohua) and station reporters]

[Text] The Jiangsu Provincial Association on the Care of Future Generations was established in Nanjing today with the approval of the provincial party committee. Attending the inaugural meeting were Jiang Weiqing and Du Ping, members of the Central Advisory Commission; Shen Daren, Han Peixin, Zhou Ze, Li Zhizhong, Ji Yunshi, and Luo Yunlai, leaders of the provincial party committee; the provincial Advisory Committee; the provincial People's Congress; the provincial government; and the provincial committee of the Chinese People's Political Consultative Conference; (Pu Jiang) and (Dai Weiran), respectively president and vice president of the provincial Association on Care of Future Generations; the association's board of directors; veteran Comrade (Bao Fuchuan); and responsible persons from relevant departments.

Shen Daren spoke at the meeting. He said: The present generation of youth will live into the next century and play a key role in linking the past with the future. The heavy responsibilities of fulfilling the second- and third-step strategic goals of socialist modernization will historically descend upon these youths. Their political awareness, ideological quality, cultural standards, and work abilities will greatly affect our success or failure to achieve the strategic goals of socialist modernization. Therefore, good training and education for the youth of this generation are clearly more important and urgent.

Shen Daren hoped that more veteran comrades will take part in the great cause of caring for future generations by making new contributions to the education of youth and training successors. He said: Veteran comrades went through periods of war, construction, and reform, and gained rich experiences. They received party education for a long time and have staunch confidence in and strong feelings for the party. Many veteran comrades held leading positions for a long time. Their understanding of Marxist theory and their political standards are better. Therefore, they can better appeal to, convince, and influence youth and achieve very good results.

Shen Daren asked party committees and governments at all levels to include work on educating, training, and caring for the youth of future generations in the program to build the two civilizations. We should pay attention to the task of building more associations to care for future generations, and enthusiastically create conditions favorable to the construction of similar associations.

(Jian Weixin) and (Tu Jiang) also spoke at the meeting.

### Zhu Rongji Speaks on Learning From Lei Feng

OW1603164691 Shanghai JIEFANG RIBAO in Chinese  
10 Mar 91 p 1

[“Zhu Rongji’s Speech on Learning From Lei Feng—at Rally Commending Shanghai Militiamen Having Served the People”]

[Text] Comrades! On 29 October 1990, General Secretary Jiang Zemin made an important speech during his meeting with the soldiers of the Lei Feng League, once again, he called on the people throughout the nation to apply and learn from Lei Feng activities. We, the party committee, the people’s government, the Army, and the people of Shanghai must implement it resolutely. Based on the guidelines of Comrade Jiang Zemin’s speech, I now would like to present three suggestions on how Shanghai can deepen its learning from Lei Feng activities to obtain actual results.

1. Place emphasis on learning from Lei Feng in one’s job. The essence of learning from Lei Feng is to serve wholeheartedly the people and to make unselfish contributions for the sake of the people’s welfare. Guided by the slogan of “Revitalizing Shanghai, Developing Pudong, Serving the Whole Nation, Facing the Outside World,” we, the people of Shanghai are currently embarking on a large-scale economic development and municipal administration construction task to realize the party’s second stage strategic goal. This requires each and every cadre and the masses to be unceasingly devoted to their respective jobs. As such, we must now carry out the lessons from Lei Feng activities. Our cadres should be good cadres like Jiao Yulu, who always keeps the 13 million people of Shanghai in mind and be willing to work hard to achieve overall interests. Once the hearts of the cadres and the masses are linked together, the day for Shanghai’s revitalization will not be far away.

2. Incorporate learning from Lei Feng in the drive to rectify irregularities in all trades and professions. Shanghai is now in the midst of improving party style, promoting honest government, and rectifying irregularities in all trades and professions. Irregularities in all trades and professions afflict each and every one of our residents, including those who practice irregularities in their respective trades and professions. If you “cheat” a customer at the vegetable market, you will be similarly “cheated” in a shop; if you are rude to a customer in a shop, you will also face a foul-mouthed conductor on public transportation; we must all treat each other with sincerity. Why should we make things difficult for ourselves? The key to putting an end to irregularities in all trades and professions is to make everyone learn from Lei Feng. We already have numerous Lei Feng-type personalities emerging from various fronts. Our vegetable market’s sales assistants must emulate Lu Meihong; public transportation conductors must emulate Li Yan; shop assistants must emulate Ma Guining of the No. 1 shop of the China Department Store and Lou Guoling of Hualian Commercial Complex; our nurses must emulate

Zhang Xianling of Zhongshan Hospital; our workers must emulate Shao Xueming, person in charge of the steel smelting furnace at No. 5 plant of Shanghai Iron and Steel Corporation; our intellectuals must emulate Zeng Le; the above-named have all made truly unselfish contributions. With the emergence of thousands of Lei Feng-type good comrades through the learning from Lei Feng drive, the good practice of “one for all and all for one” will be established in Shanghai. This will certainly fortify the strength of the party and the people’s government and greatly mobilize the municipality residents’ initiative in their respective jobs. As a result, the revitalization of Shanghai will be done faster and better.

3. Emphasize spiritual civilization in learning from Lei Feng. Our goal is to establish Shanghai as a foreign-oriented, multi-functional, and technologically advanced socialist international city with rationally structured industries and a high level of spiritual civilization. We must uphold the banner of reform and opening to the outside world and also adhere to the four cardinal principles to prevent the capitalist’s “peaceful evolution.” We must educate the people to be law abiding, to be unselfish toward others, to respect the aged and to love the young, to treat each other with mutual respect and give each other mutual help, and to nurture good moral character to establish a good social practice of upholding public ethics and gallantry. To achieve this, we must have everyone learn from Lei Feng.

The learning from Lei Feng drive is culled from the theories of Marxism, it conforms to the materialist dialectics, and is in line with our party’s objective. I sincerely hope that the learning from Lei Feng activities will continue to be implemented positively in Shanghai.

### Central-South Region

#### Hou Zongbin Urges Cadres To Invigorate Economy

HK2003105991 Zhengzhou Henan Provincial Service  
in Mandarin 2300 GMT 18 Mar 91

[Excerpts] While carrying out investigation and studies in Shangqiu Prefecture on 14-17 March, provincial party Secretary Hou Zongbin stressed: At present, cadres at all levels throughout the province should further emancipate their minds, and firmly grasp the fulfillment of various work to invigorate the province’s economy as early as possible. [passage omitted]

Wherever he visited, he went right to the front line of production to identify himself with the masses to listen to their opinions and demands with an aim of boosting their confidence in invigorating Henan’s economy. Comrade Hou Zongbin repeatedly stressed: We should persist in taking economic construction as our center. This means that we should emancipate and develop our productive forces. This is a fundamental task of socialism. To emancipate and develop our productive forces, we should further widen our vision and emancipate our minds [words indistinct].

He pointed out: Our province's economy is still in a backward stage, but our potential is great. To fully and profoundly implement the party's basic line and the provincial CPC Committee's guiding ideology of uniting as one, and forging ahead to invigorate Henan, cadres should work out their plans for invigorating the economy in light of their own practical conditions. They should be clear about their tasks and objectives. The present fundamental problem facing us is to grasp the completion of our tasks. This is a strong demand and desire of the masses, and a topic for their conversation. Since the masses have shown their close concern for it, it should become the focal point of our work.

#### **Guan Guangfu Addresses Commendation Meeting**

*HK1903093391 Wuhan Hubei Provincial Service  
in Mandarin 1000 GMT 14 Mar 91*

[Excerpts] From 11 to 13 March in Wuchang, the provincial party committee and government jointly called a provincial meeting to commend advanced units and model workers in agricultural production.

A total of 500 representatives of advanced units and model workers exchanged their valuable experiences cemented with sweat and held heated discussions on ways to realize Hubei's 10-year program and Eighth Five-Year Plan and on striving for overall bumper harvests in 1991. [passage omitted]

Guan Guangfu, secretary of the provincial party committee, and other provincial party, government, and military leaders were on hand. [passage omitted]

Guan Guangfu gave a speech and joined some representatives and model workers in their panel discussions. [passage omitted]

The meeting pointed out: Many facts show that the period following the 11th CPC Central Committee's Third Plenary Session has been a period in which Hubei achieved the best and quickest development of the rural economy in history and the trend is now gaining momentum.

The meeting emphasized: Agriculture constitutes the basis for economic growth, social stability, and a prosperous country. We should never forget agriculture, peasants, advanced collectives, and model workers who have contributed to rural reform and construction. It is necessary to further carry forward the spirit displayed by model workers and take firm hold of typical examples to promote the work as a whole.

The meeting called for all localities to summarize and spread the experiences created by the advanced units and model workers conscientiously, comprehensively, and systematically. [passage omitted]

The meeting stressed: The general guiding ideology for developing agricultural production and the objectives to be achieved are to achieve sustained, steady, and coordinated development of the rural economy; raise Hubei's comprehensive agricultural productive capacity to a new level;

deepen rural reform; bring a new look to rural areas; and create a society which is economically advanced, ideologically sound, and politically stable and united and which gives the people a fairly comfortable life.

The main task for the present is to strive for greater agricultural harvests. Despite sustained and steady agricultural development over the last few years, we should be aware that Hubei's comprehensive agricultural productive capacity remains low, its ability to resist natural disasters is poor, its potential for further agricultural development is limited, and the infrastructures and basic conditions for agricultural production have not been greatly improved. Although the gross farm produce output has increased, the per-unit yield remains low. Farm produce quantity and quality fall far short of market demand. The practical scientific and technological achievements were not spread as quickly as expected and many scientific and technological accomplishments have yet to be turned into productive forces. The external conditions for agricultural production have yet to be improved. And so on. [passage omitted]

The meeting pointed out: It is necessary to properly handle the relations between agriculture and the work in other fields; those between maintaining steady growth in grain production and developing a diversified economy to increase the peasants' income; and those between enlisting state support and tapping inherent potential.

The meeting emphasized that the key to boosting agricultural production lies in implementing the party's policies for firing up the peasants' enthusiasm for production. This year we must stabilize the responsibility system with the household contract linking output to payment as the main form; strengthen the collective economy; improve the dual management that combines household with collective operations; develop the socialized service system; further improve various contract systems, combine the advantages of collective operation and the enthusiasm of farmer household operation; implement to the letter the policies designed to encourage and help peasants to grow grain, cotton, and oil-yielding crops by improving the contracts to be signed; earnestly implement the policies for sales and purchase of farm produce; enliven the circulation in every possible way; greatly reduce the burden on the peasants; and increase the peasants' ability to accumulate funds and develop the economy by themselves.

The meeting called for all levels of party committees and governments to deepen their understanding of the status of agriculture as the national economy's foundation, truly strengthen leadership over agriculture, and organize all sectors to support and serve agriculture. [passage omitted]

#### **Hunan Executes 32 Criminals in 2-Month Period**

*HK2003084091 Hong Kong AFP in English 0823 GMT  
20 Mar 91*

[Text] Beijing, March 20 (AFP)—A city in southern China executed 32 criminals in a two-month period, leaving its residents "elated," a local newspaper received here Wednesday said.



Authorities in Shaoyang, in Hunan Province, uncovered 1,063 criminal cases, broke up 67 gangs and arrested 837 criminals from mid-December to February, the official HUNAN LEGAL NEWS said.

Thirty-four criminals were sentenced to death and executed, the newspaper said in its March 11 edition.

"All the people of Shaoyang were elated" by the crack-down, the paper said.

It added that the criminals had engaged in murder, theft, hostage taking and other crimes.

The paper said the criminals had "struck a blow against public security" and "threatened the social stability and economic development of Shaoyang."

China has been carrying out a ruthless anti-crime campaign over the last year, with hundreds of executions reported.

### Southwest Region

#### Liu Zhengwei Attends Provincial CPPCC Plenum

*HK1903034491 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 13 Mar 91*

[Excerpts] The fourth session of the Chinese People's Political Consultative Conference [CPPCC] Sixth Guizhou Provincial Committee was closed in the provincial CPPCC committee auditorium on the morning of 13 March. This session called on political consultative organizations and members at various levels and people from various nationalities and circles in this province, under the leadership of Guizhou Provincial CPC Committee and the guidance of the CPPCC National Committee, to rally more closely around the CPC Central Committee with Comrade Jiang Zemin as the key figure, hold high the banner of socialism and patriotism, and consistently implement the basic line of "one center, two basic points." It called for people to study hard Marxism-Leninism-Mao Zedong Thought and Deng Xiaoping's works, strengthen self-improvement by means of substantial measures, uphold and strive to perfect the CPC-led system of multiparty cooperation and political consultation, consolidate and develop the most extensive patriotic united front in this province, conscientiously carry out the basic functions of political consultation and democratic supervision, and make new contributions to the invigoration of China, reunification of the motherland, and improvement of conditions in Guizhou with one mind and one heart. [passage omitted]

The closing session was presided over by executive chairman Song Shugong.

[Begin Song Shugong recording] Fellow deputies, comrades: The plenum of the fourth session of the sixth provincial CPPCC committee now opens. The provincial party, government, and military leaders present at

today's meeting include provincial party secretary Comrade Liu Zhengwei, deputy provincial secretary Comrade Long Zhiyi, chairman of the provincial Advisory Committee Comrade Su Gang, secretary of the commission for discipline inspection Liu Hanzhen, chairman of the provincial People's Congress Standing Committee Zhang Yuhuan, vice provincial governor Wang Anze, provincial military district commander Zhu Qi, and so on. We extend our warm welcome to their presence. [passage omitted] [end recording]

The plenum passed the resolution of the Fourth Session of the Sixth Guizhou Provincial CPPCC Committee and the report on the examination of the motions of the fourth session by the motions examination committee of the sixth provincial CPPCC committee. Vice chairman of the provincial CPPCC committee Wang Qingyan delivered the closing speech. [passage omitted]

#### Urges Promoting Agriculture

*HK2003070391 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 19 Mar 91*

[Excerpts] The provincial party committee and government recently held a provincial on-the-spot meeting in Qianxi County on promoting agriculture through science and technology, at which provincial party Secretary Liu Zhengwei delivered an important speech.

In his speech, Liu Zhengwei called on party and governmental departments at all levels to earnestly strengthen their leadership over the work of promoting agriculture through science and technology, and personally grasp the popularization of agricultural science and technology to open up a new prospect in our province's work in this respect.

Liu Zhengwei pointed out: The provincial party committee and government have put forward the idea of promoting Guizhou through science and technology, and agricultural promotion through science and technology is a component of that idea. It is also an inexorable choice in our efforts to develop agriculture, promote Guizhou, and make our people rich; and an extremely important task which has a bearing on the overall situation.

Liu Zhengwei indicated: To develop our province's agriculture, it is necessary to deepen rural reform; persistently rely on various policies, science and technology, and inputs in agriculture; have our eyes on long-term targets such as population, grain, and ecological environment; and map out an overall planning of economic improvement to bring about a well-coordinated development. [passage omitted]

Liu Zhengwei said: In this year's work of promoting agriculture through science and technology, we should do a good job in grasping the following issues:

1. Vigorous efforts should be made to grasp well the popularization of applied agrotechniques. This serves as one of the major foundation stones for our province's agricultural promotion through science and technology. Therefore, various agricultural departments, including

crop planting, forestry, animal husbandry, fishery, water conservancy, agricultural machinery, and meteorology, should all select some applied agrotechniques in line with local conditions, and make vigorous strides in their popularization. [passage omitted]

2. It is necessary to make up our mind to turn hill slopes into terrace fields, devote great energy into farmland capital construction, and improve conditions of agricultural production. This is another foundation stone for agricultural promotion through science and technology, and also an important component and channel in the transformation of medium- and low-yielding soil. In the coming decade, we should strive to transform every year 500,000 mu of medium- and low-yielding soil into soil with high and stable yields. [passage omitted]

3. Efforts should be taken to grasp well several major campaigns in agricultural promotion through science and technology, namely, the comprehensive exploitation of agriculture, the demonstration project of high-yielding fields, the construction of commodity-producing bases, and the implementation of various harvest plans, the "spark program," and the "prairie fire program."

4. Time and energy should be put in to bring up qualified scientific and technical personnel. The birthplace of agricultural promotion through science and technology is rural areas, and its propagators and practitioners are scientific and technical cadres as well as peasants. It is an important responsibility for colleges of agriculture and leaders at all levels to strengthen education and training in agricultural science. [passage omitted]

5. It is imperative to improve and perfect agricultural service systems; stabilize the contracted household responsibility system with remuneration linked to output; perfect the "two-tiered" operation system on a constant basis; and cultivate and develop collective economic strengths. [passage omitted]

6. Efforts should be made to step up studies on leading technologies and do a good job in technological reserves. This serves as the basis and source for the popularization of agrotechniques. Special attention should be paid to the selection of and research on new varieties. [passage omitted]

Lastly, Liu Zhengwei called on party committees and government leaders at all levels to further enhance their understanding of agricultural promotion through science and technology; work out plans in this regard in line with local conditions; and take vigorous measures in their implementation. Moreover, they should also commend and give awards to scientific and technical personnel with outstanding work performance, and earnestly strengthen their leadership over the work of promoting agriculture through science and technology so that the work can be carried through in a down-to-earth way. [passage omitted]

### Guizhou Provincial Congress Closes Fourth Session

HK1903041991 Guiyang Guizhou Provincial Service  
in Mandarin 2300 GMT 15 Mar 91

[Excerpts] The Fourth Session of the Seventh Guizhou Provincial People's Congress came to a successful close in Guiyang on the afternoon of 15 March. This session called on the people of all nationalities in this province, under the leadership of the CPC, to carry forward the spirit of the Long March, firm up their conviction, make strenuous efforts to pioneer great causes, dedicate themselves selflessly, forge ahead in unity, and exert themselves in the struggle to thoroughly reverse Guizhou's destitution, improve the people's livelihood to the level of comfort, and accomplish the grand tasks set in the 10-year program and the Eighth Five-Year Plan.

The closing session was presided over by executive chairman Luo Dengyi. Executive chairmen of the presidium Liu Zhengwei, Zhang Yuhuan, Su Gang, Long Zhiyi, Liu Hanzhen, and so on attended the session and were seated in the front row of the rostrum. Provincial Governor Wang Chaowen, chairman of the provincial People's Congress Standing Committee Miao Chunting, et al, were also present and seated on the rostrum.

At 1500, executive chairman Luo Dengyi announced the opening of the closing session. [passage omitted]

This session adopted the resolution on the outline of the 10-year program and the Eighth Five-Year Plan for the economic and social development of Guizhou Province, the resolution on the outcome of the implementation of the plan for 1990 and on the economic and social development plan for 1991, and so on.

It was pointed out at this session that the 1990's is a crucial period in the historical course of our country's socialist modernization drive, and a crucial period for vitalizing Guizhou's economy, resolving the problem of food and clothing for the people, improving their livelihood to the level of comfort, and laying a good foundation for the further development in the 21st century. This period has a bearing on the accomplishment of the second-step strategic goal of our province and the development in the next century. The people's governments at various levels should mobilize, organize, unite the people of all nationalities throughout the province to implement the party's basic line steadfastly, follow the road of building socialism with Chinese characteristics, carry out the basic principles set by the central authorities and the policies and measures set by the provincial committee in a substantial way, and strive to accomplish the tasks and goals set in the outline program. This is the first year under the 10-year program and the Eighth Five-Year Plan, and a year for continued improvement and rectification and deepening of the reform. A good performance this year will be of great significance to our province's development in the days to come. The people's governments at various levels should further improve their work style, tighten their timetable, carry

out existing measures, and strive to accomplish this year's tasks of economic and social development in the province. [passage omitted]

### Security Reportedly Tightened in Tibetan Capital

HK2003025091 Hong Kong AFP in English 0239 GMT 20 Mar 91

[Text] Hong Kong, March 20 (AFP)—Chinese security forces have taken exceptionally strong measures in Lhasa to avert a replay of the violent anti-Chinese spring disturbances of recent years, a traveller just back from the Tibetan capital said.

Tight security has kept Lhasa's streets quiet, but the real test of Chinese resolve to crush dissent in Lhasa will come on May 23, which marks the 40th anniversary of communist Chinese troops entering Tibet, he said.

In recent years, the first two weeks of March have been marked by anti-Chinese riots which left scores of Tibetans killed and hundreds arrested.

The Lhasa City government has praised the tense peace, but the preventive action it has taken so far reflects a fears of continued local dissatisfaction with Chinese rule, the traveler quoted local sources as saying.

He said that on March 1, city officials began replacing the roadbed of Lhasa's central pilgrim circuit, the Barkhor, which rings Tibet's holiest shrine, the Jokhang Temple, and where most anti-Chinese demonstrations begin.

By March 5, the Barkhor was an impenetrable strip of rubble along which units of heavily armed riot police were positioned at regular intervals, said the Western traveller, who asked not to be identified.

March 5 is the most politically sensitive day of the year in Lhasa, as it marks the anniversary of an unsuccessful 1959 uprising against Chinese rule that sent the Dalai Lama into exile in India.

Dozens of plainclothesmen kept an eye on the few foreign tourists present as convoys of seven police motorcycles with sidecars, each carrying three officers armed with submachine guns, patrolled the streets, he said.

Twice a day, three trucks, each carrying 28 soldiers with assault rifles, cruised slowly past the square fronting the Jokhang, while riot police were deployed at the foot of the square and secretly positioned in rooms above a restaurant in the old city's market area, he said.

A pair of officers on the roof of a police station at the foot of the square could be seen idly caressing their rifles as they stood guard, the traveller said.

Security was just as stringent in Lhasa's monasteries and nunneries.

Monks and nuns were barred from leaving their compounds between March 1 and March 10, with more than

a dozen policemen posted at the larger monasteries of Drepung, Sera and Ganden, he said.

He quoted monastery officials as saying that on the night of March 2, a monk returning to Drepung after visiting his parents was shot in the groin as he tried to flee officers who approached him.

But monks at both Drepung and Sera symbolically voiced their dissent several times over the past few weeks by hoisting the brilliantly coloured national flag of Tibet at prominent locations in the monasteries, he said.

The traveller quoted clerics as saying 13 of the 350 monks of Drepung remained jailed for political offences committed over the past two years, while 41 others were expelled from the monastery and sent back to their home towns.

Before the 1951 Chinese occupation of Tibet, Drepung, with as many as 10,000 monks, was the largest monastery in the world.

Although Lhasa has not seen a major anti-Chinese demonstration in more than two years, lay Tibetans are involved in street-level confrontations with ethnic Chinese, and flourishing underground cells are preparing to counter the official May 23 celebrations, the traveller quoted local dissidents as saying.

Pamphlets and posters giving the Tibetan view of the past four decades of Chinese occupation and destined for distribution on May 23 are being printed on hand-carved wood blocks, the dissidents said.

Party cadres and their families are the only Tibetans to have been invited to the 40th anniversary ceremonies to be held in Lhasa's Cultural Park, the traveller quoted a Lhasa resident as saying, although People's Liberation Army troops are expected to be present in their thousands.

"The event will be the largest (celebration) in the history of Tibet," with diplomats from foreign countries also invited to attend, he quoted one Lhasa official as saying.

### Tibetan Deputies Depart for Beijing

OW1803141791 Beijing XINHUA in English 1359 GMT 18 Mar 91

[Text] Lhasa, March 18 (XINHUA)—Eight Tibetan deputies to the National People's Congress (NPC) left Lhasa today for Beijing where they will attend the 4th Plenary Session of the 7th NPC, which will open on March 25.

Also on board the flight to Beijing were 24 members of the National Committee of the Chinese People's Political and Consultative Conference (CPPCC), who will attend the forthcoming 4th Plenary Session of the 7th CPPCC.

The two national conferences are being held just prior to the 40th anniversary of the peaceful liberation of Tibet. The deputies will report on the region's achievements and progress during the past four decades. They will also



participate, along with deputies from throughout the country, in drafting an economic and social development plan for Tibet.

Lhaba Cering, a deputy to the 7th NPC said that despite the fact that Ngari Prefecture was hit by heavy snow last year, the livestock herd exceeded 2.68 million head, twice the figure in 1950. In addition, he said the average per capita income of farmers in the prefecture surpassed 700 yuan.

Lhaba said that he will suggest to the NPC that more highways and medium-sized hydroelectric power stations should be constructed in Ngari Prefecture.

Transportation and energy shortages in the prefecture are expected to ease if these projects are carried out in the state construction plan.

Sengqen Losang Gyaincain, the vice-chairman of the Standing Committee of the People's Congress of the Tibet Autonomous Region, said that the most important thing concerning Tibetans at present is their opposition to splittism, and the promotion of region's economic and social development.

Sengqen, who is also a member of the national CPPCC Committee and is a living Buddha, expressed his hope that present policy towards Tibet will be further developed. He said that the region's medical system should be perfected.

Qamba Chili, a deputy to NPC and the president of the College of Tibetan Medicine, pointed out that the state has allocated over 3.1 billion yuan to the region for public health programs during the past four decades.

#### **Yunnan 7th People's Congress 4th Session Ends**

*HK1903142791 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 14 Mar 91*

[Excerpts] The 10-day-long fourth session of the seventh provincial People's Congress concluded successfully in Kunming this afternoon after going through all procedures.

The closing meeting called on the people of all nationalities throughout the province to rally more closely around the party Central Committee, penetratingly implement the spirit of the 13th CPC Central Committee's Seventh Plenary Session, strengthen the unity of all nationalities, improve Army-people and Army-government relations, work with one heart and one mind, and go all out to carry through this year's plan for economic and social development.

Pu Chaozhu, secretary of the provincial party committee, was one of the executive chairmen. [passage omitted]

Today's meeting was presided over by Li Guiying, executive chairman of the presidium and presiding chairman of the plenary session.

(Yu Lian), (Gu Yizhi), (Tang Guie), (Chen Yanyue), (Duan Shizhong), (Duan Yuhua), and (Li Houan) were

elected members of the seventh People's Congress Standing Committee by a secret ballot.

The closing meeting approved the resolutions adopted by the fourth session of the seventh provincial People's Congress on the provincial government's work report, on Yunnan's 1991 plan for economic and social development, on the implementation of Yunnan's 1990 financial budget, and on Yunnan's 1991 financial budget.

The meeting expressed satisfaction at the work done by the provincial People's Congress Standing Committee, Higher People's Court, and People's Procuratorate and adopted resolutions on the work reports they presented.

#### **Pu Chaozhu Attends Theatrical Festival**

*HK1403032891 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 10 Mar 91*

[Excerpts] New Year's Day and Spring Festival literature and art joint performances for the Kunming area successfully ended in Kunming's Public Gymnasium last night. Last night's closing ceremony was solemn and enthusiastic. Pu Chaozhu, Kunming provincial party secretary; Li Xingwang, provincial Advisory Commission chairman; Li Guiying, provincial People's Congress Standing Committee chairman; and Liu Shusheng, provincial Chinese People's Political Consultative Conference [CPPCC] chairman, attended the closing ceremony.

In his closing speech, (Wang Tingzhen), Kunming City mayor, said: The current large-scale literature and art joint performances lasted 75 days. In over two months, we organized more than 4,000 activities, including artistic performances, outstanding-film showings, special radio and television soirees, mass recreation in parks, guessing lantern riddles, [words indistinct], sports, exhibitions, calligraphy, and so on. [passage omitted]

Liu Ronghui, deputy provincial party secretary, also spoke at the closing ceremony. He said: The current activities are mass socialist cultural activities, held over the past 10 years, which last longer, are varied and colorful, involve a great number of people, attract more audiences, and provide people with greater education. This shows the great achievements of our province and Kunming area in bringing about prosperous socialist literature and art, and strengthening the building of socialist spiritual civilization. It also demonstrates the favorable political situation in our province and the Kunming area characterized by nationality solidarity, social stability, and economic prosperity. Our artistic and cultural activities are successful as a whole, and the broad masses of people enthusiastically welcome them. The provincial CPC Committee is satisfied with all this. Central leading comrades have fully affirmed our activities. This is one of the best typical examples showing our province's efforts to grasp the building of spiritual civilization, and doing practical work for the masses. This marks a good start, and lays a solid foundation for our efforts to carry out promoting socialist spiritual civilization in the future in a more extensive, profound, and

enduring manner. In the future, we should grasp such activities on a regular and systematic basis. They can also be carried out on a smaller scale. We should grasp them permanently and consolidate our achievements. [passage omitted]

### North Region

#### Wang Qun Inspects Bayannur League 15-19 March

SK2003040091 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 19 Mar 91

[Text] Wang Qun, secretary of the autonomous regional party committee, went to Bayannur League to conduct investigations and study, and hold discussions with the vast number of cadres and ordinary people on the implementation of the guidelines of the seventh plenary session of the party Central Committee, and on the formulation of the Eighth Five-Year Plan and the 10-year program. He pointed out: The entire party and all the people should hold in-depth discussions on the task of achieving a 300-percent increase and improving the people's life to a fairly well-off standard so that they can have the initiative to carry it out.

From 15-19 March, Wang Qun inspected Urad Front Banner, Wuyuan County, Linhe City, and Dengkou County, visited some townships and towns, and held talks with cadres and ordinary people at their homes or in the fields. He heard reports of the league, the banner, the city, and the counties on their implementation of the guidelines of the seventh plenary session of the party Central Committee and the third enlarged plenary session of the fifth autonomous regional party committee, and the formulation of the Eighth Five-Year Plan and the 10-year program. He said: Bayannur League scored very great achievements during the Seventh Five-Year Plan period. It achieved extraordinary economic development, making five big steps forward in five years. The past five years were a period of stable development and big steps forward for the league. A review of the achievements of the past five years provided us many valuable experiences that we should conscientiously summarize. We should affirm the achievements, and also see the potential. Despite a hundred harms, Huang He brings prosperity to the Hetao area. Thanks to several decades of development, this area has laid a very solid foundation. However, much is left to be desired in the transformation of low- and medium-yielding farmland, development of saline-alkali land, and application of scientific farming methods. This represents its potential. To Bayannur League, the problem is not whether grain production can be stabilized. It should achieve an increase so that it can greatly raise its grain production during the Eighth Five-Year Plan period. We call on the entire region to stabilize grain production. To Bayannur League, we call for an increase.

Comrade Wang Qun emphasized: In addition, we should proceed from reality to achieve the greatest growth we can possibly achieve. At present, there is a bad tendency

of leaving too much margin when drawing up our plans and targets. This, in fact, will affect the initiative of cadres and ordinary people. Seeking truth from facts does not mean to work out the targets that can be attained without any efforts. Therefore, when working out plans and targets, we should have the courage to seek truth from facts, truly proceed from reality, and have the hardworking spirit.

Speaking on the task of achieving a 300-percent increase and improving the people's life to a fairly well-off standard, Comrade Wang Qun emphasized: We should include implementation of the guidelines of the seventh plenary session of the party Central Committee and formulation of the Eighth Five-Year Plan and the 10-year program in the socialist ideological education as a basic part.

He said: In line with the principles of the seventh plenary session of the party Central Committee, all localities may specify their own standards for a fairly well-off life after discussions. This work should be done by the masses, and the standards for every township, every village, every household, and every person should be specified so that the masses will have a clear idea of their targets, and work for them. We should include rural village construction in our plans, green and beautify villages, and make the superiority of socialism fully manifest itself. At present, many people do not know what a fairly well-off life is like. Some typical examples may be established in prosperous areas for people to see. In this way, they will have the targets to strive for. Only when the masses have the initiative in the endeavor of achieving a fairly well-off life can we ensure its success. Things carried out by the masses with their own initiative will succeed. The per-capita income of the peasants of Bayannur League has exceeded 850 yuan. It should strive to achieve the fairly well-off life ahead of others in the region.

Comrade Wang Qun also emphasized: We should persistently attend to economic construction and the building of spiritual civilization simultaneously, and strengthen party building, ideological and political work, and the building of leading bodies at all levels. The most crucial work among these is the building of leading bodies. Members of leading bodies at all levels should embrace the ideas of serving the people wholeheartedly, make concerted efforts, and work hard. Party and government top leaders should set strict demands on themselves, unite as one, understand, trust, and support one another, adhere to the principle of democratic centralism, conduct criticism and self-criticism, and concentrate efforts on leading the masses to attain the target of achieving a 300-percent increase and improving the people's life to a fairly well-off standard.

### Northeast Region

#### Sun Weiben Attends Commendation Conference

SK1903022191 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 18 Mar 91

[Excerpts] The provincial party committee and government held a radio-television conference this afternoon to

commend the collectives and individuals advanced in the province's general war to improve public security. [passage omitted]

It was decided at the conference that cadres and the masses throughout the province should be urged to learn from the collectives and individuals advanced in the work to improve public security, and that party committees and governments at all levels should be urged to lead party members, cadres, and the masses in making concerted efforts to work in a down-to-earth manner, resolutely safeguarding political and social stability, and striving to create a good social environment for economic construction, reform, and opening up.

Shao Qihui, deputy secretary of the provincial party committee and provincial governor, presided over the conference. Xie Yong, Standing Committee member of the provincial party committee and secretary of the provincial political and legal committee, gave a speech. Attending were Sun Weiben, Wang Zhao, Zhou Wenhua, Wang Haiyan, Ma Chunwa, Ma Guoliang, Xie Yong, Meng Qingxiang, Shan Rongfan, Zhang Xiangling, He Shoulun, Du Dianwu, Du Xianzhong and Zhang Li.

This station and the Heilongjiang Television Station carried a live broadcast of the conference.

#### **Congress of Returned Overseas Chinese Ends**

*SK1803063691 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 17 Mar 91*

[Text] The third provincial congress of returned Overseas Chinese and family members of Overseas Chinese ended in Harbin today after a two-day session.

During the congress, provincial leaders, including Sun Weiben, Shao Qihui, Wang Zhao, Zhou Wenhua, Wang Haiyan, Zhang Xiangling, He Shoulun, Meng Chuansheng, and Chen Wenzhi, and other comrades attended the congress to extend congratulations and posed for group photos with the delegates. Zhou Wenhua, deputy secretary of the provincial party committee, gave a speech.

During the session, all delegates studied the relevant documents of the second plenary session of the fourth committee of the All-China Federation of Returned Overseas Chinese and discussed and endorsed the work report of the second provincial committee of the Federation of the Returned Overseas Chinese. The congress also commended 100 outstanding returned Overseas Chinese intellectuals and family members of Overseas Chinese who made outstanding contributions, including (Lin Xiangyang), and 10 advanced collectives such as Harbin Engineering University which did a good job in the work related to returned Overseas Chinese intellectuals and family members of Overseas Chinese, and 30 advanced workers of the Federation of Returned Overseas Chinese, such as (Qiu Bin). The congress also elected the third provincial committee of the Federation of Returned Overseas Chinese.

#### **Changchun City Elects New Mayor**

*SK1903021091 Changchun Jilin Provincial Service in Mandarin 1030 GMT 18 Mar 91*

[Text] After a five-day session, the fourth session of the ninth Changchun City People's Congress concluded at the assembly hall of Changchun Guesthouse today.

The session elected Comrade (Li Zongjin) as mayor of Changchun City.

#### **Jilin Holds Economic Cooperation Meeting**

*SK1403152491 Changchun Jilin Provincial Service in Mandarin 2200 GMT 13 March 91*

[Text] During the Seventh Five-Year Plan period, our province achieved fairly great developments in lateral economic association and cooperation as well as noticeable economic efficiency. Over the past five years some industrial production enterprises across the province, in the course of carrying out inter-provincial and inter-regional economic association and cooperation, created a total of 9.321 billion yuan in output value and 2.230 billion yuan in profits and taxes, and earned more than \$600 million of foreign exchange. Particularly under the difficult economic situation of last year, our province's industrial production enterprises, through the development of lateral economic association and cooperation, created 2.790 million yuan in output value and 740 million yuan in profits and taxes. They further earned more than \$30 million of foreign exchange, all showing an increase over the previous year.

At the provincial economic construction cooperative work meeting, Vice Governor Wang Yunkun stressed: In economic cooperation work we should further base ourselves on the present foundation, keep our eyes on long-term development, and carry out economic cooperation work in a down-to-earth manner. Wang Yunkun also said: Economic cooperation work should be carried out along with the quality-variety-efficiency-year activities. It is necessary to extensively develop multi-layered associations and cooperations in various forms and to raise the level of enterprise management and technology. Efforts should be made to fully display the scientific research superiority of large enterprises, scientific research units, colleges, and universities. They should also promote technological progress in enterprises and strengthen their capacity to develop new products. Industrial enterprises should be organized to carry out activities on comparing and attaining the targets of advanced enterprises of the same trade, both inside and outside the province, in an effort to make enterprise management work enter a new stage. We should continue to actively carry out activities on bringing in both trained personnel who can play a leading role as well as the most advanced technology, and on developing cooperation in the production of top-grade products. We should also continue to deepen lateral economic association and cooperation in enterprises and to promote economic development in our province. Meanwhile, we



should strengthen economic and technological association and cooperation inside the province as well as promote rational work division and coordinated development in [words indistinct].

He Zhukang, secretary of the provincial party committee, attended the conference and heard briefings on our province's economic and technological cooperation work; he also gave a speech. Xu Yuancun and Chen Zhenkang, vice chairmen of the provincial People's Congress Standing Committee; Feng Yingkui, member of the Standing Committee of the provincial Advisory Commission; and Gao Wen, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference also attended the meeting.

#### **Quan Shuren Attends Economic Reform Conference**

*SK2003074791 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 19 Mar 91*

[Text] At the provincial economic structural reform and enterprise work conference which ended today, provincial Governor Yue Qifeng pointed out in particular: We should deeply understand that we are now in an important historical period and should concentrate our energy on pushing Liaoning's economic work forward.

Yue Qifeng said: Liaoning is one of the heavy industrial bases of the country and holds an important position in the national economy. Whether we can successfully carry out the work set for the Eighth Five-Year Plan period and for the next 10 years and smoothly fulfill the heavy task of implementing the second-step strategic objectives affects not only Liaoning's economic invigoration but also the country's overall situation. Therefore, we should deeply understand that we are now in an important historical period, fully recognize the new situation facing us, fully notice the arduous but glorious tasks entrusted to us during the Eighth Five-Year Plan period and the next 10 years, enhance our sense of responsibility and mission, and try by all possible means to push economic work forward. He continued: During the days to come, the emphasis of our province's economic work is to conscientiously implement the strategic principle put forward by the provincial party committee on promoting three aspects of work, namely, following the road of grasping the urban areas to promote the rural areas, grasping heavy industry to promote light industry, and grasping major projects to promote minor ones, to integrate the efforts of the urban and rural areas and to achieve common prosperity by complementing each other with one's superiorities. It is necessary to strengthen the agricultural foundation, enhance the comprehensive production capacity, accelerate enterprise technological transformation, develop precision and finely-processed end products, strive to revitalize large and medium-sized enterprises, strengthen enterprise management, develop enterprise groups, actively develop township enterprises and collective economy in cities, districts, and neighborhoods, strengthen local financial resources, and through several years of efforts, strive to make our province's economy

rapidly enter a path of sustained, steady, and coordinated development and to achieve new progress in improving the financial situation.

Yue Qifeng said: To accelerate the technological transformation of enterprises, we must persist in proceeding from the situation of Liaoning Province, properly handle the relationship between old enterprises and new construction items, give prominence to priorities, carry out work in a planned and step-by-step manner, and strictly implement the responsibility system for technological transformation. Yue Qifeng said: Continued efforts should be made to deepen economic structural reform. First, we should further enhance our sense of reform; second, we should closely combine reform with development; third, we should take active and reliable steps to develop enterprise groups; and fourth, we should carefully organize the economic structural reform work.

Yue Qifeng also touched on the arrangements concerned and the implementation measures on invigorating economic efficiency made by the provincial government, and on displaying the role of large and medium-sized enterprises in grasping the urban areas to promote the rural areas, grasping the heavy industry to promote light industry, and grasping major projects to promote minor ones.

Provincial leaders including Quan Shuren, Cheng Jinxian, Wen Shizhen, Xiao Zuofu, Tan Liren, and Yue Weichun, also attended the conference.

### **Northwest Region**

#### **Gansu People's Congress Hears Work Reports**

*HK1903040791 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 13 Mar 91*

[Excerpts] The fourth plenary meeting of the fourth session of the seventh provincial People's Congress was held at the Gansu People's Government Assembly Hall yesterday afternoon to listen to work reports presented by the provincial People's Congress Standing Committee, the provincial Higher People's Court, and the provincial People's Procuratorate. [passage omitted]

Gu Jinchi, secretary of the provincial party committee, was one of the executive chairmen.

The plenary session was presided over by Xing Anmin.

Xu Feiqing, chairman of the provincial People's Congress Standing Committee, first made a report on the work done by the Standing Committee. The report covered six aspects.

1. On working out local statutes and on examination of cadres regarding whether or not they had observed discipline and laws.

2. On supervision over work done by the provincial people's government, the provincial Higher People's Court, and the provincial People's Procuratorate.

3. On the work done by the delegates to people's congresses and work of handling people's complaints.

4. On the improvement of local People's Congress standing committees.

5. On summarizing the work done by local people's congresses [words indistinct] over the last 10 years.

6. [Words indistinct].

When talking about the tasks for 1991, Xu Feiqing said: We must conscientiously study and implement the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and the decisions and resolutions adopted by the National People's Congress and its Standing Committee and, centering around the objectives to be achieved defined by the fifth plenary session of the seventh provincial party committee, make great efforts to exercise functions and powers entrusted by the law and constitution to improve socialist democracy and legal system, promote sustained, stable, and coordinated development of the national economy, and maintain political and social stability, thus enabling the people's congresses across the province to make great achievements in their work.

Qin Bing, president of the provincial Higher People's Court, made a report on the work done by the court. He said: Last year, the people's courts at all levels across the province, guided by the resolutions adopted by the third session of the seventh provincial People's Congress, under the leadership of the provincial party committees, and under the supervision by the people's congresses, conscientiously implemented the principles of economic improvement and rectification and deepened reform, worked hard to play their role of cracking down on criminals to protect the people, promote reform, safeguard modernization construction, and help maintain political, economic, and social stability. Some problems, however, remained unsolved. Some cases were not heard in time, while others were poorly handled. [passage omitted]

Wang Ping, chief procurator of the provincial People's Procuratorate, said in his work report: Last year the procuratorial organs across the province focused on the campaign against corruption and bribery. They heard 1,500 cases of bribe-taking and graft last year, placed 750 cases on file for investigation, of which they closed 660 cases by the end of last year, arrested 938 criminals, and collected stolen money and goods amounting to 16.6 million yuan, up 49 percent over the previous year.

Wang Ping continued: Last year the procuratorial organs also threw themselves into the struggle against drug-trafficking in accordance with the unified arrangements made by the provincial party committee and government, dealing heavy blows against those criminals deeply involved. [passage omitted]

### People's Congress Closes

HK2003070991 Lanzhou Gansu Provincial Service  
in Mandarin 2300 GMT 17 Mar 91

[Excerpts] After fulfilling various items on its agenda, the 10-day fourth session of the seventh provincial People's Congress successfully closed in Lanzhou on the afternoon of 17 March. The closing session was presided over by Xu Feiqing, executive chairman of the presidium. He said: Today is the last meeting of the fourth plenary session of the seventh Gansu Provincial People's Congress. The number of people's deputies who could be present is 513 but 107 deputies asked for sick leave or leave of absence. Actually, 409 [figures as heard] people's deputies attended the meeting, constituting a quorum. [passage omitted] Through voting by a show of hands, the following six resolutions were approved:

1. The outline of Gansu Province's 10-Year Program and Eighth Five-Year Plan.
2. Gansu Province's 1991 plan for national economic and social development.
3. Gansu Province's financial budget for 1991.
4. Approving work report of the provincial People's Congress Standing Committee.
5. The work report of the provincial Higher People's Court.
6. The work report of the provincial People's Procuratorate.

The meeting called on the broad masses of cadres and people of various nationalities throughout the province to arouse their enthusiasm, exert concerted efforts, quietly immerse themselves in hard work, struggle hard, and strive for the fulfillment of the magnificent goals of the outline of the 10-year program and the Eighth Five-Year Plan. [passage omitted]

In conclusion, Xu Feiqing said: Various items contained in the agenda of the meeting have all been fulfilled. I now announce the closing of the fourth plenary session of the seventh Gansu Provincial People's Congress. He asked all attendees to stand up. After that, the national anthem was played.

### Gu Jinchi Talks With Peasant Deputies

HK1903021591 Lanzhou Gansu Provincial Service  
in Mandarin 2300 GMT 14 Mar 91

[Excerpts] Yesterday morning [14 March], in the Lanzhou Hotel's (Zhongbalou) meeting room, a warm atmosphere prevailed. Twenty-five provincial people's deputies from the frontline rural areas participated in a discussion by invitation with provincial party Secretary Gu Jinchi to express their views on pursuing our province's 10-year program and the Eighth Five-Year Plan and doing a good job of rural work. [passage omitted]

Gu Jinchi said: Since all of you come from the grass-roots level, you understand most clearly those parts of the party guiding principle and rural policies with which the peasants are satisfied and which parts with which they are dissatisfied. You understand well the situation of village-level organizations in rural areas and whether they can become links between leaders and masses at the grass-roots level. [passage omitted]

Gu Jinchi also told the peasant people's deputies that in the future they can write letters directly to him to reflect their problems and opinions. They should write "letter from a peasant people's deputy" on the envelopes of their letters. Gu promised that he would personally read their letters. This should be regarded as a measure for forging close ties with the masses.

When the discussion was coming to an end, Gu Jinchi hoped that peasant people's deputies would play a leading role in building party branches and grass-roots organizations and lead the masses to develop the rural economy. His speech received warm applause from the peasant people's deputies who further realized that they were shouldering a heavy task.

#### **Attends Provincial CPPCC Session**

*HK1903040991 Lanzhou Gansu Provincial Service  
in Mandarin 2300 GMT 15 Mar 91*

[Excerpt] The fourth session of the sixth Gansu provincial committee of the Chinese People's Political Consultative Conference [CPPCC] held a closing ceremony in the auditorium of Lanzhou Military Region yesterday morning [15 March]. The closing session was presided over by vice chairman of the provincial CPPCC Committee (Shen Jiaogeng). Provincial CPPCC Committee chairman Ge Shiyong and some of the vice chairmen attended the session. Gu Jinchi, Li Ziqi, Jia Zhijie, Xu Feiqing, Lu Kejian, et al were present at the session as guests. [passage omitted]

#### **Speaks After Congress Session**

*HK2003095691 Lanzhou Gansu Provincial Service  
in Mandarin 2300 GMT 17 Mar 91*

[Text] After the closing of the fourth session of the seventh provincial People's Congress yesterday afternoon [17 March], at the invitation of participating people's deputies, provincial party Secretary Gu Jinchi made a speech entitled "Unite With and Mobilize the People of the Whole Province To Strive for the Fulfillment of the 10-Year Program and the Eighth Five-Year Plan."

Gu Jinchi said: The present session of the provincial People's Congress is a session of special significance. After comprehensively fulfilling the Seventh Five-Year Plan in our province, and successfully attaining the strategic targets of the first stage, as entrusted by the 22 million people of various nationalities throughout the province, you, provincial people's deputies, have examined and approved the outline of our province's 10-year program and the Eighth Five-Year Plan, and worked out a magnificent blueprint for

attaining the strategic target of our socialist modernization at the second stage. This will produce a profound and far-reaching effect on Gansu's all-around invigoration and long-term development. The objectives for the coming 10 years and the Eighth Five-Year Plan period have been defined, and our important measures have been devised. The task in front of us is how to turn our plan and program into reality.

In his speech, Gu Jinchi particularly stressed the following three points:

1. We should stick the ideological line of seeking truth from facts to promote our work in a creative manner.
2. We should continue to sum up and popularize typical experiences to develop a good common practice of creating, learning from, and catching up with the advanced.
3. We should continue to carry forward our work style of struggling hard to further inspire our enthusiasm and work hard in a down-to-earth manner.

Gu Jinchi stressed: In its future development, Gansu will face many favorable conditions, and good opportunities as well. In the meantime, we will also encounter numerous difficulties and constraining factors. This particularly requires us to carry forward the spirit of self-reliance, hard work, and thrift. We should be determined to improve our leadership style and the work style of our party and government organs, and work in a practical manner to advance step by step. We should fully fulfill various tasks for this year, and fight well the first battle of the Eighth Five-Year Plan to lay a solid foundation for the successful fulfillment of the outline of the 10-year program and the Eighth Five-Year Plan.

#### **Shaanxi People's Congress Closes Fourth Session**

*HK1903065791 Xian Shaanxi Provincial Service  
in Mandarin 0030 GMT 16 Mar 91*

[Text] The fourth session of the seventh Shaanxi Provincial People's Congress satisfactorily completed all topics on the agenda and came to a successful close in Xian yesterday. The session called on the people of all nationalities in this province to conscientiously implement the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and the sixth enlarged plenum of the seventh provincial committee, further emancipate the mind, enhance the vigor, unite with each other and make strenuous efforts with one heart and one mind, and strive to accomplish the grand goals set in the 10-year program and the Eighth Five-Year Plan for our province.

Sun Kehua, vice chairman of the provincial People's Congress Standing Committee and executive chairman of this session, presided over yesterday's meeting. Standing Committee chairman Li Xipu and most of the vice chairmen were executive chairmen of the meeting and seated in the front row of the rostrum.

Yesterday's meeting first adopted the resolution on the outline of the 10-year program and the Eighth Five-Year



Plan. The resolution says: The fourth session of the seventh Shaanxi Provincial People's Congress, through examination and discussion, decided to approve the outline of the 10-year program and the Eighth Five-Year Plan for Shaanxi Province, formulated by the provincial people's government and approve the report on the outline of the 10-year program and the Eighth Five-Year Plan given by Governor Bai Qingcai on behalf of Shaanxi Provincial People's Government.

[Begin executive chairman recording] It is time for vote. Those in favor please put up their hands. Hands down. Those who disapprove please put up their hands. Those who abstain please put up their hands. The resolution is passed. [end recording]

Yesterday's meeting also adopted the report on the result of the implementation of the economic and social development plan of Shaanxi Province for 1990; the resolution on the economic and social development plan for 1991; the report on the result of the implementation of the financial budget for 1990 and the resolution on the financial budget for 1991; the resolution on the work report of the provincial People's Congress Standing Committee; the resolutions on the work reports of the provincial Higher People's Court and provincial People's Procuratorate; rules of procedure of Shaanxi Provincial People's Congress; the decision on the abolition of the provisional measures for forest protection of Shaanxi Province. At the meeting, (Zhi Yuanli) was elected by ballot as member of the Seventh Shaanxi Provincial People's Congress Standing Committee.

[Begin executive chairman recording] The agenda of today's meeting has now been exhausted. Fellow deputies, comrades:

This session of the People's Congress, through the concerted efforts of all deputies, has successfully accomplished various tasks. We firmly believe that if the people of all nationalities province wide, under the leadership of the CPC, unite as one, motivate themselves, and make strenuous efforts with one heart and one mind, the grand goals of 10-year program and the Eighth Five-Year Plan for our province will certainly be achieved.

I now declare the successful conclusion of the fourth session of the seventh Shaanxi Provincial People's Congress. [end recording]

The provincial party, government, military, and CPPCC [Chinese People's Political Consultative Conference] leading comrades who attended yesterday's closing session and were seated on the rostrum included: Zhang Boxing, Bai Qingcai, Zhang Ze, Zhou Yaguang, An Qiyuan, et al. Central Advisory Commission member Chang Lifu and deputies to the Seventh National People's Congress from Shaanxi as well as some senior comrades, also attended the meeting and were seated on the rostrum.

### Congress Delegates Discuss Song Hanliang Report

OW1603114191 Urumqi Xinjiang Television Network  
in Mandarin 1650 GMT 15 Mar 91

[From the "Xinjiang News" program]

[Text] The delegates attending the Fourth Xinjiang Autonomous Regional CPC Congress were divided into groups today to discuss Comrade Song Hanliang's report. In their speeches the delegates said: The report was a realistic one. It summed up the experiences of the past seven years, defined the tasks for future work, and clearly spelled out our goal. It conformed to the reality in our region. We were inspired greatly after hearing the report. [Video shows closeup and panned shots of delegates making speeches in a meeting room]

The delegates unanimously said that they will strengthen the unity of the whole party and the whole people, enhance morale, and strive to invigorate Xinjiang.

(Rouzitanmo Minasufu) of Tajik nationality, said: Education aimed at strengthening national unity should begin among students and young people. In his report Comrade Song Hanliang said that it is necessary not only to handle well the relationship between the Han nationality and other minority nationalities, but also necessary to handle well the relationship among various minority nationalities. Only in this way can the various minority nationalities be linked closely to one another, share weal and woe with one another, and thus promote the unity of all nationalities in our region.

(Yasheng Tuerxu), deputy secretary of the party group of the regional family planning commission, said: The report refers to the family planning work in our region. In fact, the whole party and all sectors of society should pay attention to this work.

(Yasheng Tuerxu) said: Xinjiang has reaped a bumper harvest for 13 consecutive years, but the region's per capital grain consumption increased by only 20 kg. This shows that our region is facing a serious population problem. We will act in accordance with the requirements set out in the report, enhance our understanding of the population question, and earnestly do a good job in family planning work.

(Wang Zhenhan), secretary of the party committee of the railway survey and designing brigade, said during the group discussion: In his report, Song Hanliang pointed out the need to extend the Nanjiang [southern Xinjiang] Railway to develop the economy in southern Xinjiang and exploit the oilfields in the Tarim Pendi. We are carrying out this work. We have begun the design work and have made other preparations for extending it. Construction can begin immediately once the decision is made by the regional authorities.

(Mindebaier Guangbujiafu), head of the Hoboksar Mongol Autonomous County; (Aerstan Beko), member of the Tacheng prefectural party committee; and (Wang

Jinshan), secretary of the Xinhe County party committee, in their speeches, said that they will strive to boost the development of agriculture and animal husbandry and, at the same time, to develop county-level economic undertakings to achieve common prosperity.

### **CPC Presidium, Standing Committee Meet**

*OW2003013491 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 18 Mar 91*

[From the "Xinjiang News" program]

[Text] The fourth congress of the Xinjiang Uygur Autonomous Regional CPC Committee held the first and second meetings of the Standing Committee of its Presidium and the third, fourth, and fifth meetings of the Presidium on 17 and 18 March, respectively. [Video opens with long shots of the meeting; cuts to closeups of Tomur Dawamat and other unidentified people seated at a long table, facing meeting participants]

The meetings decided on the namelists of candidates for members and alternate members of the autonomous regional party committee, members of the autonomous regional Advisory Committee, and members of the autonomous regional commission for discipline inspection. The meetings adopted the congress' election procedures and a namelist of voting monitors and the chief voting monitor. They also examined the congress' draft resolutions on the reports of the autonomous regional party committee, Advisory Committee, and commission for discipline inspection.

### **Party, Discipline Inspection Members Elected**

*OW2003024791 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 18 Mar 91*

[From the "Xinjiang News" program]

[Text] The fourth congress of the Xinjiang Uygur Autonomous Regional CPC Committee held a preliminary round of voting to elect candidates for members and alternate members of the fourth autonomous regional party committee and members of the autonomous regional commission for discipline inspection. [Tomur Dawamat and other unidentified people are shown casting their votes throughout the video]

On 17 March, the various groups of deputies to the fourth congress of the Xinjiang Uygur Autonomous Regional CPC Committee deliberated and discussed the proposed namelists of candidates for members and alternate members of the fourth autonomous regional party committee, autonomous regional Advisory Committee, and autonomous regional Commission for Discipline Inspection. The deputies unanimously agreed that the proposed namelists of candidates for members and alternate members of the three bodies are essentially based on the interests of all sectors and more rationally distributed in terms of ethnic representation. They said: The lists retain many members and alternate members of the

previous party committee. This indicates the committee's stability and continuity in work. In keeping with the principle of making cadres more revolutionary, younger, better educated, and more professional, candidates elected to the membership of the party committee and the commission for discipline inspection are younger, better educated, and more professional, and constitute an enterprising group.

The deputies voiced satisfaction with the proposed namelists of candidates for the three bodies and unanimously stated that they would perform their functions conscientiously in electing the three bodies in strict accordance with the party's organizational principle of democratic centralism. In the course of deliberation and discussion, the deputies fully displayed a democratic spirit and put forward some positive opinions and suggestions regarding the proposed lists of candidates for the three bodies. The opinions of some deputies were adopted after examination by the Standing Committee of the Presidium and review by the Presidium meetings. After discussion by various groups of deputies, it was decided that an additional candidate would be named to the membership of the fourth autonomous regional party committee.

In a preliminary round of voting on the morning of 18 March, the deputies elected candidates for members of the fourth autonomous regional party committee and the autonomous regional Commission for Discipline Inspection. The voting was based on multiple candidates and secret ballots. In the afternoon, they elected candidates for alternate members of the fourth autonomous regional party committee.

The Presidium meetings confirmed the election of 47 candidates for members of the fourth autonomous regional party committee, nine candidates for the committee's alternate members, and 28 candidates for members of the autonomous regional Commission for Discipline Inspection.

### **Song Hanliang Speaks on Propaganda Work**

*OW1903140891 Urumqi XINJIANG RIBAO in Chinese 3 Mar 91 pp 1, 2*

["Conscientiously Implement the Guidelines of the Seventh Plenary Session, Take Further Steps To Carry Out Propaganda Work: Speech delivered by Song Hanliang on 28 February 1991 at a regional conference on propaganda work"]

[Text] Comrades:

This conference on propaganda work convened by the regional party committee is very important. It has seriously implemented the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and those of the 16th (Enlarged) Plenary Session of the Third Xinjiang Regional Committee of the CPC, and it has discussed and made arrangement for future propaganda work. What has been done at the conference is vitally important to maintaining the autonomous region's political and social stability and its

economic development and to advancing the building of material and spiritual civilization.

During the past year, under the leadership of the party Central Committee with Jiang Zemin as the nucleus, we led the people of all nationalities in Xinjiang to unite as one and exert ourselves in the struggle. As a result, our economy and our endeavor in various fields all developed with notable successes. Agriculture and livestock breeding have reaped bumper harvests 13 years in a row. Industry has steadily grown in the course of restructuring. Major construction projects made notable progress. The economic rectification and in-depth reform have been fruitful. Revenues have increased, and the commodity price has declined without large fluctuation. The entire economy is developing soundly in the right direction. The political situation of the entire region characterized by stability and unity has been further consolidated, and unity among various nationalities has continued to strengthen, thus ensuring smooth progress of economic construction and development of our endeavor in other fields. Great achievement has also been made in propaganda work in our region and a new situation has been created, thanks to the attention and leadership of the party committees at different levels. Upholding the party's basic line, propaganda departments at various levels conscientiously implemented the guidelines of the Fourth, Fifth, and Sixth Plenary Sessions of the 13th CPC Central Committee and did a tremendous amount of work to vigorously publicize the party's line, principles, and policies; explain the situation at home and abroad; publicize the achievement of economic construction, reform, and opening; publicize the need to uphold the four cardinal principles and oppose bourgeois liberalization; publicize the need to oppose national separatism, safeguard the unification of the motherland, and strengthen national unity; publicize advanced personages and experience; and publicize the need to strengthen the building of spiritual civilization. In the past two years, notable success has been achieved in strengthening work in the ideological field and building ideological and cultural positions in agricultural and pastoral areas. The present situation on the region's propaganda front is good, the direction of public opinion is right, and the keynote of our propaganda is sound.

However, we must also realize that due to the influence of major international climate and China's own minor climate, our ideological front still faces a grim situation. Our propaganda work still has a number of weak links and shortcomings, and our task is heavy. This requires comrades on the propaganda front to work even harder to make greater contributions to the development of Xinjiang's excellent situation.

I will discuss my views on further carrying out the region's propaganda work as follows:

#### **1. Take Further Steps To Carry Out Propaganda and Education on the Guidelines of the Seventh Plenary Session of the 13th CPC Central Committee**

The recent Seventh Plenary Session of the 13th CPC Central Committee deliberated and approved the "Proposals of the CPC Central Committee for Drawing Up the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development." The "Proposals" fully affirm the achievements of the past 10 years, scientifically summarize the experiences of many years, and correctly analyze the international and domestic situations. On this basis, and in accordance with the demand to build socialism with Chinese characteristics, the "Proposals" have put forward the objective of struggle for the next 10 years and during the Eighth Five-Year Plan and drawn up a magnificent construction blueprint. The document is a program of action for realizing the second step strategic objective. With this, our country's socialist modernization has entered a new stage of development. Achieving the second step strategic objective is a system project which includes development, reform, and the construction of material and spiritual civilization. The most fundamental guarantee to realizing the second step strategic objective is to implement the party's basic line in an all-around way and persist in moving along the path of socialism with Chinese characteristics. The 12 principles put forward in the "Proposals" are formed on the basis of thoroughly summarizing historical experiences and current practice. They are the common understanding of the entire party on the basic theory and practice of building socialism with Chinese characteristics. They are rich spiritual wealth as well as a sharp theoretical weapon. Party organizations at all levels and cadres and masses of all nationalities throughout the region should earnestly study, thoroughly understand, and completely implement these principles in an all-around way. Implementing the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee is the central task for the entire party now and in the future. It is also the primary task and principal agenda of the propaganda front. We firmly should hold on to this agenda and coordinate and guide our news media, ideological theories, and mass education to serve this agenda. We should promote extensive propaganda and education of the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee by deeply and extensively integrating theory with practice in a variety of ways. We should use propaganda and education to make the people of all nationalities concentrate their thoughts on the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee. We should let cadres and masses see the great achievements of our construction and reform and understand clearly the arduous tasks and bright future of the nineties. This will enhance their spirit and strengthen their confidence to carry out various present and future tasks.

The "Proposals" approved by the Seventh Plenary Session of the 13th CPC Central Committee fully reflect the idea of making economic construction the center while



upholding and perfecting the socialist system. The next 10 years is critical to our country's socialist modernization process. It is also very important to our region's economic construction. The 16th (enlarged) plenary session of the third regional party committee has discussed our region's program for the next 10 years and its Eighth Five-Year Plan and has clarified the objective and task of economic and social development for the future. We should center our efforts on this central task while further emancipating our minds, continuing to deepen reforms, opening ourselves wider to the outside world, and accelerating the pace of economic construction. We should work hard to narrow the gap between us and the rest of the country in economic development, strive to reach a level slightly higher than the national average, and lay a good foundation for all-around economic revival in the 21st century. Propaganda work should be integrated closely with the actual conditions of the region's economic construction, reform, and opening to motivate and encourage cadres and masses of all nationalities to increase their confidence, overcome difficulties, seize opportunities, and strive forward to win new victories in economic construction, reform, and opening. We should publicize vigorously the party's principles and policies on reform and opening. Through propaganda and education, we should more successfully guide cadres and masses of all nationalities to emancipate their minds, enhance their spirit, and work hard to fight for the realization of the second step strategic objective.

**2. Strengthen Work in the Ideological Sphere and Unremittingly Carry Out Propaganda and Education in Upholding the Four Cardinal Principles and Opposing Bourgeois Liberalization and National Separatism To Lay a Solid Ideological Foundation for Our Region's Stability and Development**

To build socialism with Chinese characteristics and realize the second step strategic objective, we must uphold the four cardinal principles, oppose bourgeois liberalization and national separatism, and consolidate and develop a political situation of stability and unity for our region. The practice of past and current struggles has shown that in an ever changing international situation, the struggle between infiltration and anti-infiltration, between subversion and antisubversion, and between separatism and antiseperatism in Xinjiang will be protracted, complex, and, at times, even very fierce. This struggle will reflect definitely in the ideological sphere.

Comrades of our party organizations at various levels, particularly those of propaganda departments, should handle well the work in the ideological sphere with a high sense of political responsibility. We should keep in touch closely with the actual state of minds of cadres and masses of all nationalities and continue to deepen education in upholding the four cardinal principles and opposing bourgeois liberalization, "peaceful evolution," and national separatism.

The principal danger in Xinjiang is national separatism. Spreading a national separatist ideological viewpoint in

the ideological sphere to confuse the thoughts of cadres and masses of all nationalities creates an ideological basis for separatist activities. It is also an underlying cause of instability and danger. We must attach great importance to the struggle against national separatism in the ideological sphere. In recent years, the situation in the region's news media, publications, literature and art, theory, education, and other areas has been generally good. However, some publications and articles containing political mistakes and writings disseminating national separatist ideology also appeared. "The Uygur People" and two other books, under the pretext of conducting academic study and under the signboard of Marxism-Leninism, distort and fabricate history, spread historical idealism and Pan-Turkism [fan tu jue zhu yi 3131 4499 0628 0031 5030], and advocate the ideological viewpoint of dividing our unified motherland and destroying national unity. They provide so-called "historical" evidence for national separatists to clamor for independence and separatism. These books contain serious errors in political stance and viewpoint. We have gathered experts and scholars in and outside the region to examine and study these three books. We also convened a meeting recently to discuss on a more in-depth level the three books from a Marxist national and historical point of view. The meeting systematically and convincingly analyzed and criticized the problems and erroneous views of the three books. We must follow strictly our policy line in dealing with problems in the ideological sphere. We must take a clear and firm stance on the issue of political principle. We should not be ambiguous or allow others to spread erroneous views unchecked. We must strictly identify and separate people with some wrong viewpoints or an incorrect understanding from a very few people who stubbornly adhere to a reactionary stance. We must correctly identify and separate the two different types of contradictions, firmly believe and depend upon cadres and masses of all nationalities, and isolate and strike a blow against the very few national separatists. From now on, party committees at all levels must strengthen earnestly their leadership over ideological work and strive to do a better job in this field. They must integrate the actual conditions of Xinjiang, strengthen the study and propaganda of Xinjiang's history and the history of minority nationalities, and firmly tackle the job of compiling, writing, translating, and publishing booklets on Xinjiang's history and nationality issues. This will enable cadres and masses of all nationalities, particularly young people, clearly to identify right and wrong and conscientiously resist the infiltration of wrong ideas, thereby laying a solid ideological basis for realizing long-term stability in Xinjiang.

**3. Strengthen the Study of Marxist Theory and Education in Socialist Ideology**

Learning the basic theories of Marxism-Leninism-Mao Zedong Thought is a major task for the whole party. The complexity of the international situation and the historical burden we shoulder make us understand more

deeply the urgency and importance of studying Marxist theory. Party organizations at all levels should, in accordance with the demands of the party Central Committee and the regional party committee, earnestly organize leading cadres at and above the county level to study the basic theories, and they should uphold the system of on-the-job study by leading cadres. No matter how busy they are in their work, leading cadres at all levels should persist conscientiously in learning theory. They must study works by Marx, Lenin, Mao Zedong, and Comrade Deng Xiaoping. They must also study the party Central Committee's line, principles, and policies, and continuously raise their theoretical level of Marxism-Leninism and Mao Zedong Thought. They should learn to use the stand, viewpoint, and methods of Marxism-Leninism and Mao Zedong Thought to analyze and handle various problems and improve their leadership skills and capability. Propaganda departments should, in accordance with the demand of the party Central Committee and concrete arrangement of the regional party committee, strengthen in a concrete way the organization, guidance, inspection, and supervision of the study of Marxist theories and the "Outline on Learning Several Issues of Socialism." While emphasizing and tackling well the job of cadres' theoretical study, they should strengthen and improve the propaganda of Marxist theory among the masses and pay attention to making propaganda more to the point and convincing.

A general, in-depth, and systematic development of the education of socialist ideology is an important arrangement of the party Central Committee. Party committees must increase their understanding, regard the work of developing socialist ideology education as an important strategic task of the party's rural work for the present and future, and earnestly carry it out. Since last winter and this spring, we have formed rural socialist education groups to begin the work of socialist education in all agricultural and pastoral areas. We earnestly should summarize previous experience, particularly the experience of selected points, and continue to do a good job in deepening and increasing socialist education in rural areas.

While attaching importance to socialist education in rural areas, we also must strengthen and improve socialist ideological and political work, and continue to carry out education with "basic national conditions and the basic line" as its major component. All propaganda and responsible economic departments, trade unions, communist youth leagues, and women's federations at all levels should pay attention to the situation, tasks, and workers' thoughts, and organize well education in "basic national conditions and basic line." They should take further steps to raise the socialist initiative and creativity of the vast numbers of workers and their sense of responsibility of being masters.

We must continue, among cadres and masses of all nationalities, in-depth education in the Marxist view on nationalities, in our party's policy on nationalities, and in strengthening national unity and safeguarding reunification of the motherland. We must conduct education

in patriotism, socialism, collectivism, self-reliance, and arduous struggle, and use Marxism, socialism, and patriotism to unify people's thoughts and understanding so that the people of all nationalities can increase their faith in socialism, truly work with one heart, share the same fate, and struggle together to build socialism with Chinese characteristics.

#### **4. We Should Build a Mighty Marxist Theoretical Work Contingent**

Judging from the actual condition of our region at present, our theoretical work contingent is still unable to meet the needs of the new situation whether in terms of quantity or quality. We should take effective measures to strength our theoretical work contingent and beef up the training of backbone theoretical workers. In building the theoretical work contingent, we not only should raise its level of theoretical research but should pay more attention to improving the contingent in terms of ideology and work style. We should pay attention to discovering and training competent workers in the course of doing practical work and include in the theoretical work contingent those comrades with a strong political consciousness and a certain level of theoretical knowledge and work ability. In particular, we should put emphasis on, and devote all-out efforts to, training backbone theoretical workers of ethnic minorities.

In the great socialist modernization cause, the social science research contingent is an important work force. The regional academy of social sciences is an important social science research organization in our autonomous region. We should further strengthen leadership over this academy and beef up its management so that it will become a real staunch front for the study of Marxist theories. In close conjunction with the actual situation of our region, social science workers should devote more efforts to basic theoretical studies and applied research to serve the purpose of stability and development in our region, the purpose of reform and opening to the outside world, and the purpose of promoting national unity and safeguarding the unification of our motherland.

On the premise of upholding the four cardinal principles and under the banners of patriotism and socialism, we should continue to carry out the "double-hundred" policy [policy of letting a hundred flowers blossom and a hundred schools of thought contend] and create a favorable environment for the development and prosperity of social sciences. Social science workers should be encouraged to speak out freely, air their opinions, and boldly explore so that our region's social science research will develop vigorously and achieve a new level.

#### **5. Propaganda Work Should Be Geared to the Masses and the Grass-Roots Level and Carried Out in a Down-To-Earth Way With Attention to Practical Results**

As for how to study and implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, the regional party committee has made an overall

plan, and all localities and departments are now making arrangements to put the plan into execution. The work from now on is to implement energetically this plan and see to it that marked results are produced. Comrades of the propaganda departments should do painstaking and meticulous work. They should "try to guard against empty talk and work in a down-to-earth way." This is not only a question of a work method, but also a guiding ideology for doing successful work in all fields. It is imperative to change the style of work, take account of the actual state of thinking and the practical work of the masses, work in a down-to-earth way, avoid empty talk, do more substantive work, conduct propaganda work in a deep, meticulous, and realistic way, and gear it to the grass-roots level and masses. Propaganda cadres at all levels must study diligently, be good at thinking, arm themselves with Marxist theories, enrich their knowledge of science and culture, and foster the good habit of investigation and study. Every propaganda cadre should be good at solving the various questions in the minds of the masses by using the materials with which they are familiar, in the way most acceptable to them, and from the perspective that they can most easily see and understand. Every propaganda cadre should try to provide a scientific theoretical basis for our reform and open drive and for the socialist modernization program, to turn out quality mental nourishment for the masses, and to bolster the people's morale in their endeavor to achieve sustained and stable development of our region's economy.

Because of its numerous aspects and wide scope, propaganda work requires overall planning and arrangements. There should be both long-range goals and short-term targets. There should be measures to fulfill major tasks as well as measures to take care of other work. In the meantime, positive efforts should be made to promote the style of honestly performing duties and doing industrious and efficient work. All our propaganda cadres, journalists, editorial personnel, and literary, art, and theoretical workers should keep firmly to the correct political orientation, raise their ideological level, enrich their theoretical knowledge, and improve their work proficiency. They should temper themselves, increase their knowledge, and enhance their competence in the course of practical work. They should abide by work ethics and the codes of conduct for their respective professions, seriously correct unhealthy trends, strengthen self-restraint and mutual supervision, and use their own concrete action to cast a good image for the party's propaganda workers throughout the entire society.

#### **6. Party Committees at All Levels Truly Should Strengthen Their Leadership Over Propaganda Work**

Party organizations at all levels should understand fully the great importance of strengthening propaganda work in the new situation and continue to implement seriously the guidelines contained in the decisions on promoting propaganda and ideological work adopted by the party Central Committee and the regional party committee. They should place propaganda work high on their agenda and take effective measures to strengthen further their

leadership over propaganda, education, theoretical work, news and publications, literature and art, and grass-roots ideological and political work. Party committee secretaries should take care of this personally and constantly. In addition, party committees should assist propaganda departments in deciding on the propaganda principle, guiding ideology, major events to be reported, and other important matters for a given period and make sure that these are complied with. They should promptly remind propaganda departments of the problems that may arise in the course of work and help propaganda departments to guard strictly against such problems. From time to time, leaders at various levels should go deep into journalistic, radio, television, cultural, publications, theoretical work, literary, and art departments to listen to opinions, get acquainted with the work of these departments, give guidance, and set up demands for them to meet. It is imperative to take the initiative to use news and propaganda media to serve the purpose of implementing the party's line, principles, and policies and to see that the news media is the genuine mouthpiece for the party, government, and people. Some party committees have failed to pay sufficient attention to propaganda and ideological work. This, at least, shows the lack of a sober mind on the part of some leading comrades. Party committees at all levels should continue to implement the contents of the regional party committee's circular on strengthening propaganda and ideological work. Every task listed in the circular should be carried out earnestly. Problems that can be solved locally should not be passed on to the higher level. Instead, effective measures should be taken locally to solve such problems. Input to the work of building a spiritual civilization should be increased appropriately in accordance with the guidelines set at the Seventh Plenary Session of the 13th CPC Central Committee. Positive efforts should be made to help propaganda departments solve their practical difficulties and to create necessary conditions for them to do their work. The tasks facing the propaganda and ideological work front are heavy, but there are also many favorable conditions for the fulfillment of these tasks. We should carry forward our achievements, overcome our shortcomings, get a clear understanding of the current situation, pluck up our spirits, and strive to make our party's propaganda work more successful.

Comrades, our autonomous region is going to hold the fourth party congress. This will be a great event in the political life of the people of all nationalities in the region. Before and after the party congress, we should go all out for propaganda work, mobilize the broad masses of Communist Party members and people of all nationalities to make outstanding achievements as a concrete action to greet the party congress and to carry out earnestly the guidelines of the party congress. The first of July this year is the 70th founding anniversary of the Chinese Communist Party. Ceremoniously marking this festival will be of vital significance in studying our party history, strengthening party building, inheriting and carrying forward the fine traditions of our party, and



uniting and leading the people of all nationalities to struggle for the implementation of the party's basic line, the achievement of the great goal of socialist modernization, and the fulfillment of our tasks at present. Propaganda to greet the 70th founding anniversary of our party is a major aspect of this year's propaganda work. We should make careful arrangements and ensure that the work in this respect is a real success. Propaganda departments at all levels and the broad masses of propaganda workers throughout the region should carry forward their achievements, continue to exert themselves, further improve all aspects of their propaganda work, and pluck up the spirits and stimulate the morale of the people of all nationalities in the region so that they will unite as one and strive hard for Xinjiang's stability and development for a long time to come.

#### **Attends Bai Chengming's Funeral**

*OW1603115791 Urumqi Xinjiang Television Network  
in Mandarin 1650 GMT 15 Mar 91*

[From the "Xinjiang News" program]

[Excerpts] This morning, Wang Enmao, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and chairman of the regional advisory commission; Lu Feng, director of the Organizational Department of the CPC Central Committee; and regional party, government, and military leaders, including Comrades Song Hanliang and Tomur Dawamat, went to the funeral parlor of the Urumqi General Hospital of the Lanzhou Military Region to pay last respects to the remains of Comrade Bai Chengming, a fine CPC member, a loyal communist fighter, an outstanding worker, and vice chairman of the Xinjiang Uygur Autonomous Regional CPC Advisory Commission. [Video shows long and closeup shots of Wang Enmao, Lu Feng, Song Hanliang, Tomur Dawamat, and other Xinjiang leaders bowing to the remains of Bai Chengming, before shaking hands with Bai's relatives] [passage omitted]

Also attending the funeral service were Janabil, Li Shoushan, Zhang Sixue, (Zhang Fusun), Ba Dai, Shi Feng, Tang Guangcai, (Guo Gang), (Qi Guo), (Tuerxin Atawula), Li Jiayu, Chen Xifu, (Jin Yunhui), (Fu Wen), and Gao Huanchang.

The remains of Comrade Bai Chengming were accompanied by (Zhang Fusun), (Tuerxin Atawula), Chen Xifu, (Jin Yunhui), and other leading comrades to the crematorium to be cremated.

#### **Wang Enmao Addresses Xinjiang Party Meeting**

*OW1903061791 Urumqi Xinjiang Television Network  
in Mandarin 1650 GMT 17 Mar 91*

[From "Xinjiang News" program]

[Text] Comrade Wang Enmao delivered a report to the 17th Plenary Session of the Third Xinjiang Autonomous

Regional CPC Committee on 12 March. His report was entitled: Correct leadership of the party is the key to success of the party's cause.

Comrade Wang Enmao said: The 70th anniversary of the founding of our party falls this year. Reviewing the experience and lessons drawn by our party in the last 70 years, we have understood profoundly that, whether the party's leadership is correct or not is the key to success or failure of the party's cause. When the leadership is correct, a bad and failing situation can become a good and successful one. When the leadership is incorrect, a good and successful situation can become a bad and failing one. The situation in the autonomous region is currently good. In order to consolidate and enhance the good situation, it is fundamental to keep correct leadership of the autonomous regional party committee at all times. In order to uphold the correct party leadership, we must first: uphold Marxism-Leninism-Mao Zedong Thought, and take it as a guide to ensure success of our socialist revolution and construction. Second, we must correctly and comprehensively implement the party's basic line of regarding economic construction as the central task, upholding the four cardinal principles, and persist in reform and opening to the outside world. To implement this basic party line is tantamount to implementing the line of building socialism with Chinese characteristics. In other words, we should persistently take the socialist road and oppose the capitalist one.

Third, we should uphold the people's democratic dictatorship, or the dictatorship of the proletariat. We must adhere to the Marxist theory of state, uphold the people's democratic dictatorship, and resolutely struggle against imperialists' peaceful evolution, bourgeois liberalization, and national splittism. Fourth, we should persistently do a good job of promoting unity among all nationalities, strengthen unity, unite with the people of all nationalities to the greatest extent, do all we can to isolate and strike at national splittists at home and abroad, protect unity among all nationalities, and defend unification of the motherland. Fifth, we should concentrate our energies on economic construction, and further develop the economy. In order to do so, we should seriously sum up the experience of socialist construction, grasp the law of its development, and achieve a sustained, stable, and coordinated economic development. Sixth, we should strengthen the party leadership and party building. We must strengthen the party leadership. The party leadership must be in the hands of those who are loyal to Marxism. Party committees at all levels must do a good job in exercising collective leadership. We should keep, and carry forward, the party's three major work styles [san da zuo feng] and other fine traditions and work styles. We should maintain our party's spirit of serving the people of all nationalities wholeheartedly, working hard, being honest in performing official duties, and selfless dedication.

In conclusion, Comrade Wang Enmao said: We should unite closely around the the party Central Committee,

with Comrade Jiang Zemin at the core, uphold Marxism-Leninism-Mao Zedong Thought, persistently implement the party's basic line, principles, and policies, persist in seeking truth from facts, carry forward the cause and

forge ahead into the future, and make new, greater successes in socialist construction and in reform and opening to the outside world during the 10-year program and Eighth Five-Year-Plan period.

### Taiwan's Reunification Program Challenged

HK1503124091 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 10, 11 Mar 91 p 2

["Letter From Beijing" by Bao Xin (7637 0207): "Let Two Sides of the Strait Discuss Matters of Vital Importance Concerning Reunification"]

[Text] My brother:

A message was passed from the other side of the strait shortly after the Spring Festival: After revising the draft five times, the Taiwan authorities adopted the "National Reunification Program" on 23 February. The message concerning national reunification naturally attracted attention from the relevant quarters on the mainland.

As all people know, more than 10 years ago the mainland authorities made a proposal on the motherland's peaceful reunification, suggesting that the "three linkages" between the two sides of the strait be realized as soon as possible. The conception of "one country, two systems" was put forward for the realization of the motherland's peaceful reunification. However, in a fairly long period, the Taiwan authorities flatly rejected the mainland's various proposals on the motherland's peaceful reunification according to their "three-no's" policy. However, as Mr. Chiang Ching-kuo said in his late years, "the times are changing, and the trend is also changing." Pushed by the historical trend, the Taiwan authorities have begun to somewhat loosen their position of rejecting the reconciliation initiative. In recent years, historic breakthroughs occurred in cross-strait relations. The people on both sides demanded that the "three linkages" be realized as soon as possible, and they cherished the hope for the motherland's reunification and promoted the process of peacefully reunifying the motherland. It was against this background that the Taiwan authorities adopted the "National Reunification Program." No matter whether or not the contents of the "program" are in keeping with today's realities on both sides and the contemporary political reality in the world, the move itself should be welcomed.

In all fairness, this program includes certain positive factors. Taken literally, the document indicated the willingness of the Taiwan authorities to move toward national reunification and to accept the CPC's proposal for setting up the "three direct linkages," expanding exchanges, and holding talks. They also suggested exchanging visits between senior officials of the two sides and setting up a reunification consultation institution. The wording of the document was rather mild, and the anticommunist old tune was not sung there.

However, the negative factors and the one-sidedness of the program are also apparent. Some Taiwan newspapers pointed out: The "program" "bears a distinct character of being one-sided and signs of self-restraint," it just expressed "the unilateral wishes" of the Taiwan authorities and "did not include or give consideration to the ideas of the CPC." So "it is only partially feasible."

National reunification is the common desire of the entire Chinese people, and concerns the fundamental interests of the people on the two sides of the strait. Therefore, it should be jointly discussed by all parties, organizations, and representatives of all social circles on the two sides. The CPC constantly holds that the peacefully solving the Taiwan issue and realizing the motherland's reunification should be discussed by the two parties, namely, the CPC and the Kuomintang [KMT], on an equal footing; at the same time, importance should also be attached to the role of other parties, organizations, and representative figures in all walks of life on both sides. Last June, CPC Central Committee General Secretary Jiang Zemin said on a certain occasion that before the CPC and the KMT hold talks, they should discuss the relevant motions and state affairs with other parties and organizations. In the course of the talks, information and opinions should also be exchanged in good time, and some representative figures of other parties and organizations may also be incorporated in the deputies to attend the talks.

The important statement of General Secretary Jiang Zemin once again indicated that the CPC always holds an aboveboard and large-minded attitude toward the issue of national reunification. However, the practices of the Taiwan authorities showed that they just tried to impose their own will on other people and disregarded the objective realities.

In recent years, as cross-strait contacts and exchanges became closer and more frequent, the people on both sides strongly called for realizing direct postal, navigation, and trade linkages and demanded that the "three direct linkages" be first established before the realization of national reunification. However, the "program" still puts the establishment of the "three direct linkages" between the mainland and Taiwan as an intermediate step, or the second item in the stage of mutual trust and cooperation, and attaches to it some preconditions that are unacceptable to the mainland.

A certain leading figure in the Taiwan authorities stated: "The 'three direct linkages' between the two sides of the strait must be preconditioned by the mainland's economic reform, political democratization, abandonment of the hostile posture toward us, mutual respects in the international arena without negating the other side's position as a political entity on the basis of mutual benefit. Only thus can the intermediate stage of mutual trust and cooperation begin with the establishment of direct postal, navigation, and trade linkages."

In view of the unreasonable preconditions raised by the Taiwan authorities, people have every reason to doubt: Did the authors of the program have any sincerity for the establishment of the "three direct linkages?" If things are handled in light of the "supreme guiding principle," will the process of national reunification be promoted or retarded?

Two points in the program, which is not too long, are particularly noticeable. It mentions that in the near stage,



namely, the stage of exchanges and mutual benefit, "under the principle of one China, there should be mutual respect in the international arena without mutual exclusion in order to create a favorable condition for entering the stage of mutual trust and cooperation." It also mentions that in the intermediate stage, or the stage of mutual trust and cooperation, "the two sides should cooperate and offer mutual aid in participating in international organizations and international activities." People can clearly see that these two points reflect the urgent hopes of the Taiwan authorities for "opening up the international survival space" and for imposing the conceptions of "one country, two governments," "elastic diplomacy," and "double recognition" on the mainland side. This was obviously the wishful thinking of the "program" authors. It is not only out of keeping with the contemporary international political reality, but also goes against the demand of the people on both sides for terminating the divided condition of the country and realizing national reunification as soon as possible. At the same time, it also goes against the principled point that "promoting national reunification is the common obligation of all Chinese people" stated by the "program."

After the "program" was published, some major party officials and politicians in the Taiwan authorities made comments one after another, saying that "according to the principle of exchanges and mutual promotion between the two sides of the strait, there is no distinct line of demarcation between the three stages in the program," so everything will "depend on whether the CPC responds with goodwill." What they actually meant was that the process of the "three stages" would all depend on whether the CPC make any "goodwill response." What is the so-called "goodwill response?" According to the Taiwan authorities' logic, the CPC must wholly accept the preconditions listed in the program and reunify China according to the principles and the model designed by the Taiwan authorities. Such a practice of imposing one's own will on other people is obviously harmful to the cause of national reunification, and also goes against the principle of "frank exchange, cooperation, and consultation" stressed by the "program" itself.

After the "program" was published, it has attracted attention from domestic and overseas people in various circles who are concerned about China's reunification.

People hope that the Taiwan authorities will give up the preconditions that obstruct national reunification, give up the unrealistic illusion, really set store by the interests of the Chinese nation, and actually do something solid for the great cause of China's reunification.

[Signed] Bao Xin

[Dated] 4 March

### **Shanghai Holds Cross-Strait Trade Meeting**

*OW1903043091 Shanghai City Service in Mandarin  
2300 GMT 16 Mar 91*

[From the "Morning News" program]

[Text] The 1991 consultation meeting of the Economic and Trade Coordination Committee for the Two Sides of Strait and the Coordination Committee for Cross-Strait Commercial Affairs was held in Shanghai Bazaar yesterday [16 March].

Zheng Hongye, chairman of the China Council for the Promotion of International Trade and the coordination committee, said that he is ready to lead a trade and industry study group to Taiwan at an appropriate time in the second half of the year, at the invitation of Zhang Pingzhao, chairman of Taiwan's Coordination Committee for Cross-Strait Commercial Affairs.

Yesterday's meeting adopted a nine-point resolution intended to further develop economic exchanges and trade between the two sides of the strait. The resolution includes the approval of a set of mediation regulations jointly drafted by the two coordination committees, holding a seminar on trademarks and patents of the two sides of the strait in the second half of the year, and one on cross-strait trade and investment in Shanghai.

Responsible persons of the councils for the promotion of international trade of Shanghai, Guangdong, and Fujian briefed yesterday's meeting on the investment climate in their respective areas. The briefings aroused the participants' interest.

Mayor Zhu Rongji and Vice Mayor Huang Ju met the delegates from the two coordination committees yesterday evening and briefed them on Shanghai's economy and the development of Pudong.

### Foreign Minister Stresses Diplomatic Effort

OW2003050791 Taipei International Service  
in English 0200 GMT 19 Mar 91

[Text] ROC [Republic of China] Foreign Minister Frederick Chien [Chien Fu] said on Monday morning that the year of 1991 will be a year for the nation to make major breakthroughs in all diplomatic fronts. While diplomatic effort needs to be more creative, it will also need to be more practical and the ROC should use its rich economic power to open a new era of growth for the nation. Minister Chien also said the Foreign Ministry will include public opinion in making decisions for future foreign policies. The Foreign Ministry will also endeavor in actively establishing relationship with countries that have no diplomatic ties, and in actively participating in activities organized by international organizations.

### Mainland Trade Policy To Be Further Relaxed

OW2003053891 Taipei International Service  
in English 0200 GMT 19 Mar 91

[Text] According to an official of the Mainland Affairs Council, the Government has decided to further relax its trade policy toward Mainland China to allow more raw, agricultural, and industrial materials to be imported into Taiwan via a third area. Under this principle, the Economics Ministry will be asked to further legalize imports of such materials, as well as parts and components, and semifinished products. Currently, only 115 agricultural and industrial raw materials can be legally imported from Mainland China. This results in smuggling of many other raw materials into Taiwan.

The official stressed that, while relaxing trade and investment policy, authorities concerned must relieve the effects on the overall domestic economy. Meanwhile, an Economics Ministry official pointed out that the government will set up a [word indistinct] system to closely monitor the impact of the increase in indirect imports of mainland products. The official said, once the quantity of certain products reach a level, they will threaten the local industry. The Board of Foreign Trade will start controlling the import of such products and temporarily suspend the issuance of import permits.

### Hao Po-tsun Meets Panamanian Minister

OW2003054691 Taipei International Service  
in English 0200 GMT 19 Mar 91

[Text] Premier Hao Po-tsun said on Monday morning that regional economic integration is a definite trend in world economic development; [and that], although he understands that regional cooperation cannot be achieved within a short period of time, it is necessary to take steps in finding a holistic, long-term economic system in order to ride with the world economic trend.

Premier Hao made the above comments while meeting with Panama's Minister of Industry and Commerce Juan Chevalier. Premier Hao also pointed out that, because of its geographical location, Panama enjoys great importance to the area's regional economic and military strategy. Premier Hao also expressed willingness in exchanging experience with Panama in developing regional economic integration.

Chevalier also said the ROC [Republic of China] and Panama have enjoyed a long-term friendship. There is a long history of the Chinese people in Panama, and their diligence and perseverance have brought great contributions to Panama's economy.

### Taiwan To Open Trade Office in Vietnam

OW2003082991 Taipei CNA in English 1459 GMT  
19 Mar 91

[Text] Taipei, March 19 (CNA)—The China External Trade Development Council (CETRA) office in Ho Chi Minh City, formerly Saigon, will open shortly to help traders in the Republic of China to expand trade and investment in Vietnam.

Huang Chi-yuan, a CETRA official, left Tuesday to assume his post in the Vietnamese city.

CETRA sent its first marketing survey mission to Vietnam on a fact-finding trip in July 1988 after the government lifted a ban on business contacts with communist-led, but friendly countries.

A large-scale, CETRA-sponsored trade mission from Taiwan visited Vietnam in November, 1990 and took part in a trade fair, which has stimulated interest among traders and investors from Taiwan, CETRA officials said.

### Hong Kong, Macao Trade To Be Strengthened

OW2003082591 Taipei CNA in English 1511 GMT  
19 Mar 91

[Text] Taipei, March 19 (CNA)—The China External Trade Development Council (CETRA) said Tuesday that it plans to strengthen trade relations with Hong Kong and Macao before Hong Kong reverts to Mainland China rule in 1997.

CETRA noted that in view of the current government policy of "no direct trade" with the Mainland China, Hong Kong and Macao might be important trade outposts.

CETRA's new Taipei Trade Center in Hong Kong will start providing services for domestic enterprises on April 15.

CETRA pointed out that trade between two sides of the Taiwan Strait via Hong Kong reached 4 billion U.S. dollars last year, and indirect mainland investments of domestic manufacturers are booming.

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